

DRAFT

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)
)
Application by SBC Communications Inc.,)
Illinois Bell Telephone Company d/b/a)
Ameritech Illinois and Southwestern Bell)
Communications Services, Inc. d/b/a)
Ameritech Long Distance for Provision of)
In-Region InterLATA Services in Illinois)

CC Docket No. _____

**AFFIDAVIT OF SCOTT J. ALEXANDER
ON BEHALF OF AMERITECH**

STATE OF ILLINOIS)
)
COUNTY OF COOK)

TABLE OF CONTENTS

SUBJECT	PARAGRAPH
INTRODUCTION	1
PROFESSIONAL EXPERIENCE	2
PURPOSE OF AFFIDAVIT	3
OBTAINING AN INTERCONNECTION AGREEMENT WITH AMERITECH	5
CHECKLIST ITEM (i) INTERCONNECTION	11
Collocation – General	13
Collocation Job Intervals	15
Physical Collocation Options	24
Caged Collocation	27
Caged Shared Collocation	29
Cageless Collocation	31
Adjacent Structure Collocation	33
Other Collocation Arrangements	35
Space Availability Options and Requirements	36
Security Options and Requirements	42
Safety Standards Required for Collocated Equipment	47
Virtual Collocation	48
CHECKLIST ITEM (ii) ACCESS TO NETWORK ELEMENTS	51
UNE Remand Order	53
UNE Remand Supplemental Order	59
Line Sharing Order	62
Combination of Unbundled Network Elements	63
Loop and Switch Port Combinations for Business Services	71
Loop and Switch Port Combinations for Residence Services	72
Enhanced Extended Loop	73
Secured Frame Option	76
Intellectual Property	79
CHECKLIST ITEM (iv) LOCAL LOOP	80
Sub-loop Elements	86
CHECKLIST ITEM (v) LOCAL TRANSPORT	91
Unbundled Dedicated Transport	92
Unbundled Shared Transport	96
CHECKLIST ITEM (vi) LOCAL SWITCHING	98
Usage Information	104
CHECKLIST ITEM (x) ACCESS TO CALL RELATED DATABASES AND SIGNALING	107
CHECKLIST ITEM (xiii) RECIPROCAL COMPENSATION	115
Transit Traffic	124
CHECKLIST ITEM (xiv) RESALE	126
PRICING	134
Interconnection and Unbundled Network Elements – 252(d)(1)	137
Transport and Termination – 252(d)(2)	145
Resale – 252(d)(3)	147
CONCLUSION	150

List of Attachments

Attachment A	Summary of Ameritech's Effective Tariffs and Approved Interconnection Agreements
Attachment B	Proposed Illinois 271 Amendment (I2A)
Attachment C	Comparison of Ameritech I2A Key Provisions with Texas T2A (Combinations of Network Elements)

DRAFT

I, Scott J. Alexander, being of lawful age and duly sworn upon my oath, do hereby depose and state as follows:

INTRODUCTION

1. My name is Scott J. Alexander. My business address is 2000 W. Ameritech Center Drive, Room 4G46, Hoffman Estates, IL 60196. I am Director - Wholesale Marketing for Ameritech. My current responsibilities include representing Ameritech's wholesale marketing functions before regulatory bodies particularly with respect to Ameritech's compliance with Section 271 requirements. In addition, I support the wholesale marketing group in developing wholesale marketing opportunities, in negotiation/arbitration of interconnection agreements with Competitive Local Exchange Carriers ("CLECs"), and in assuring compliance with the Federal Telecommunications Act of 1996 ("the Act") and other federal and state laws concerning the implementation of increased local exchange service competition.

PROFESSIONAL EXPERIENCE

2. Prior to assuming my current position in December 1999, I had product management responsibility for collocation and other wholesale offerings in the Ameritech region. In addition, I have been involved in supporting CLEC interconnection, collocation, and wholesale unbundling products since late 1993. I have approximately 18 years of experience in telecommunications with Indiana Bell and Ameritech, and have held various positions in Network Planning and Engineering, Technical Regulatory Liaison, Wholesale Product Management, and Process Management. I have served on various Ameritech network and wholesale marketing unbundling initiatives as an engineering liaison and as an overall process manager for the ordering, billing, provisioning, and maintenance functions

DRAFT

for unbundled network elements. I earned a B.S. in Electrical Engineering from Purdue University (1983), and I am currently completing an M.B.A. at Northern Illinois University. I have worked on various aspects of Ameritech's implementation of the Act, including participating in negotiations and arbitration of interconnection agreements with CLECs. I have testified before the state regulatory commissions in each of the five states in the Ameritech region in various dockets related to implementation of the 1996 Act.

PURPOSE OF AFFIDAVIT

3. This affidavit, along with the affidavits of Mr. William C. Deere and Ms. Carol Chapman (hereinafter, "the Deere affidavit" and "the Chapman affidavit", respectively), demonstrates that Ameritech¹ is meeting its 47 U.S.C. 271(c)(2)(b) obligations under checklist items: (i) interconnection; (ii) access to network elements; (iv) local loop transmission; (v) local transport; (vi) local switching; (x) access to databases and associated signaling; (xiii) reciprocal compensation; and (xiv) resale. This section of the federal Telecommunications Act of 1996 ("the Act")² delineates the requirements that a Regional Bell Operating Company, such as Ameritech, must meet before it can offer originating in-region, interLATA services.

¹ Illinois Bell Telephone Company, an Illinois corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the states of Illinois, Indiana, Ohio and Wisconsin. Ameritech Corporation is a wholly owned subsidiary of SBC Communications Inc. Illinois Bell offers telecommunications services and operates under the names "Ameritech" and "Ameritech Illinois" pursuant to assumed name filings with the state of Illinois.

² Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, codified at 47 U.S.C. §§ 151 et seq. (1996 Act).

DRAFT

4. Ameritech offers binding terms and conditions in its approved interconnection agreements for the items required by the FCC's Local Competition First Report and Order,³ UNE Remand Order,⁴ Advanced Services Order,⁵ Advanced Services Reconsideration Order,⁶ Advanced Services Remand Order,⁷ Line Sharing Order⁸ and Line Sharing Reconsideration Order.⁹ Where required by the Illinois Commerce Commission ("ICC"), Ameritech has filed tariffs which contain comparable offerings. Attachment A to this affidavit is a table that summarizes the binding terms and conditions related to the required wholesale product offerings in Ameritech's approved interconnection agreements, and the comparable tariff offerings. As I will explain in this affidavit, Ameritech has adopted and implemented many market-opening policies, practices, and wholesale product offerings which are contained in

³ First Report and Order, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; 11 FCC 15499, 16220 (1996) ("Local Competition First Report and Order").

⁴ Third Report and Order and Fourth Further Notice of Proposed Rulemaking, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, 15 FCC Rcd 3696 (1999) ("UNE Remand Order").

⁵ First Report and Order and Further Notice of Proposed Rulemaking, Deployment of Wireline Services Offering Advanced Telecommunications Capability, 14 FCC Rcd 4761 (1999) ("Advanced Services Order")

⁶ Order On Reconsideration And Second Further Notice Of Proposed Rulemaking In CC Docket No. 98-147 And Fifth Further Notice Of Proposed Rulemaking In CC Docket No. 96-98, Deployment of Wireline Services Offering Advanced Telecommunications Capability, 15 FCC Rcd 17806 (2000) ("Advanced Services Reconsideration Order")

⁷ *Wireline Services Offering Advanced Telecommunications Capability, Fourth Report and Order*, FCC 01-204, CC Docket No. 98-147 (Rel. August 8, 2001) ("Advanced Services Remand Order").

⁸ Deployment of Wireline Services Offering Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order in CC Docket No. 98-147, Fourth Report and Order in CC Docket No. 96-98, 14 FCC Rcd 20912 (1999) ("Line Sharing Order").

⁹ *Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order on Reconsideration in CC Docket No. 98-147, Fourth Report and Order on Reconsideration in CC Docket No. 96-98, et al., CC Docket No. 98-147, FCC 01-26 (rel. Jan. 10, 2001) ("Line Sharing Reconsideration Order").

DRAFT

its approved interconnection agreements, tariffs, the Illinois 271 Amendment (I2A)¹⁰, and the Generic Interconnection Agreement (GIA)¹¹.

OBTAINING AN INTERCONNECTION AGREEMENT WITH AMERITECH

5. Ameritech offers, through the GIA, a current and comprehensive set of terms and conditions which serve as the basis for its 251/252 negotiations with CLECs. The GIA can be publicly viewed over the Internet, via the CLEC Online website.¹² The GIA is maintained to reflect current requirements under §§ 251 and 252 of the Act. Any CLEC can adopt the GIA or another CLEC's approved and effective interconnection agreement subject to the requirements of §252(i) of the federal Act relating to the adoption of other carriers' interconnection agreements. Subject to ICC approval, any CLEC can add the I2A as an amendment to the GIA, or as an amendment to any other ICC-approved and effective agreement. Through the availability of the GIA and the I2A, CLECs in Illinois have an additional option for obtaining a comprehensive interconnection agreement, including the availability of certain new UNE combinations as provided in the I2A. The scope and extent

¹⁰The I2A is attached to this affidavit as Attachment B. As discussed in more detail in ¶¶ 65-78 of this affidavit, the I2A is a voluntary contract offer that goes beyond Ameritech's existing legal obligations under the 1996 Act. A discussion draft version of the I2A was also submitted in Docket no. 00-0700 as Ameritech Illinois Exhibit 3.1, Schedule SJA-4.

¹¹ The Multi-State Generic Interconnection/Resale Agreement (GIA) can be found at <<https://clec.sbc.com/unrestr/interconnect/multi/index.cfm>>. The GIA is a comprehensive contractual offering that contains terms and conditions for the collocation, interconnection, UNE, reciprocal compensation, resale and related wholesale products required by the FCC. In addition, the GIA can be and is used by CLECs as the basis for interconnection agreement negotiations with Ameritech.

¹² <<https://clec.sbc.com>>

DRAFT

of these offerings made to CLECs under these interconnection agreements provide assurance to CLECs, the ICC, and the FCC that Ameritech's local markets are open to competition.¹³

6. CLECs in Illinois have various options to obtain an interconnection agreement with Ameritech or to obtain a successor agreement to an existing interconnection agreement. First, the CLEC may negotiate the terms of interconnection, access to network elements and/or resale with Ameritech. A CLEC may agree to execute the GIA, or the GIA can be used as a starting point to begin the negotiation process. CLECs can also opt into specific provision(s) (e.g., appendix/article) of an ICC-approved interconnection agreement provided that all legitimately related provisions are also adopted pursuant to § 252(i) of the Act.¹⁴
7. As I discuss in this affidavit, the I2A is an optional contract amendment which is substantively based on the terms and conditions relating to the UNE combinations offered by SWBT in Texas (as well as in Kansas, Oklahoma, Arkansas and Missouri) which the FCC found to comply with § 271¹⁵ and which the Michigan Public Service Commission found to comply with § 271 subject to the outcome of the KPMG Operations Support

¹³ CLECs may obtain certain new UNE combinations under Tariff ILL. C.C. No. 20, Part 19, Section 22 (the "Interim Combinations Tariff"). Alternatively, CLECs may also add the Illinois PUA 2001 Amendment to their ICC-approved agreement to obtain UNE combinations offered pursuant to the recent revisions to Illinois Public Utilities Act Section 13-801. Ameritech Illinois' offering of UNE combinations is the subject of current proceedings in ICC Docket No. 01-0614.

¹⁴ The Supreme Court upheld the finding that an incumbent LEC can require a requesting carrier to accept all terms legitimately related to the desired term. AT&T Corp. v. Iowa Utilities Board, 525 U.S. 366 (1999).

¹⁵ Memorandum Opinion and Order, Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services In Texas, 15 FCC Rcd 18354 (2000). ("Texas Order"), ¶ 218, n. 604. Memorandum Opinion and Order, Joint Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Kansas and Oklahoma, CC Docket No. 00-217, FCC 01-29 (2001); ("Kansas/Oklahoma Order"), ¶¶ 172-173 and Memorandum Opinion and Order, Joint Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Arkansas and Missouri, CC Docket No. 01-194, FCC 01-338 (2001), ("Arkansas/Missouri Order"), ¶ 76.

DRAFT

Systems (OSS) test and review of performance results.¹⁶ Upon approval of the I2A by the ICC in this proceeding, a CLEC in Illinois can add the I2A as an amendment to its existing and approved agreement, or to its new interconnection agreement. If a CLEC has an effective and approved interconnection agreement, the I2A would be quickly processed and become effective as described in Section 3.1 of the proposed I2A. If a CLEC does not have an effective and approved Illinois interconnection agreement, on or after ICC approval of the I2A, Ameritech proposes that such a CLEC may include a signed I2A together with its new interconnection agreement at the same time the new agreement is submitted to the ICC for approval.¹⁷ Consistent with the practice in Illinois, both the new interconnection agreement and the I2A amendment would become effective after approval by the ICC. Because the I2A is designed to be readily added by CLECs as an amendment to an effective and approved interconnection agreement, the I2A will further expand a CLEC's options to provide service in Illinois as I will describe later in this affidavit.¹⁸

8. A negotiated interconnection agreement is a binding agreement that is submitted to the ICC for approval under § 252 of the Act. If the parties are unable to resolve all terms and conditions through negotiation, either party may present the remaining terms to the ICC for resolution under the arbitration provisions of § 252 of the Act. A requesting CLEC may also obtain the terms and conditions of a currently approved and effective Illinois interconnection

¹⁶ The Michigan Public Service Commission (MPSC) approved the Michigan Section 271 Amendment, known as the Mi2A on March 19, 2001 in Case No. U-12320. The I2A is substantially similar to the Mi2A.

¹⁷ This proposed process for a new interconnection agreement would also apply to a CLEC seeking to adopt another CLEC's effective and approved interconnection agreement consistent with the provisions of Section 252(i).

¹⁸ The I2A is a voluntary offering which contains certain provisions that exceed Ameritech's existing federal legal obligations under the 1996 Act. No CLEC in Illinois is required to sign the I2A to obtain UNE combinations, as such combinations may be obtained under other specific contractual or tariff provisions pursuant to Section 13-801 of the Illinois Public Utilities Act (PUA). However, the I2A provides other benefits such as certainty of pricing and availability of the UNE combination offerings.

DRAFT

agreement between Ameritech and any other CLEC under the provisions of § 252(i) of the Act (this option is often referred to as the Most Favored Nation (“MFN”) option). Further, a CLEC may opt into a provision (e.g., appendix/article) for any interconnection, service or network element provided under an ICC-approved and effective agreement upon the same terms and conditions as those provided in the agreement from which those selected provisions are taken, including all legitimately related terms and conditions. This option is often referred to as the “Pick and Choose” option. The affidavit of Ms. Deborah O. Heritage (hereinafter, the “Heritage affidavit”) provides information regarding the number of ICC-approved interconnection agreements between Ameritech and CLECs in Illinois.

9. Pursuant to § 252(i) of the Act, individual interconnection, service, or network element arrangements (“Arrangements”) are available for use by CLECs for a reasonable period of time after the approved agreement(s) is available for public inspection, under § 252 of the Act (See also, 47 C.F.R. § 51.809(c)). Pursuant to such provisions, Arrangements are available for adoption in Ameritech’s existing interconnection agreements, until such time as an existing interconnection agreement has been noticed for termination and/or renegotiations are requested by either Party or the term of the Agreement expires, whichever is earlier.¹⁹
10. CLECs that currently have an effective and ICC-approved interconnection agreement with Ameritech have the same options as described above for obtaining a successor interconnection agreement. In order to ensure continuity between existing agreements and successor agreements, Ameritech has typically included language in interconnection

¹⁹ In addition, in certain situations, rates, terms or conditions of an existing Agreement could be deemed to have already been made available for a reasonable period of time or could be cut-off on a specified date pursuant to an order of a regulatory body, agency, court of competent jurisdiction, etc.

DRAFT

agreements which allows terms and conditions of the original agreement to remain in effect for a sufficient period of time to allow for the establishment of a successor agreement. For example, the Level 3 Agreement²⁰ states that the parties will provide notice at least within 180 days prior to expiration of the agreement and may commence negotiations ten (10) days following the notice of expiration. This agreement specifically allows the agreement to remain in effect, subject to true-up to the ultimate rates, terms and conditions of the successor agreement, for up to ten (10) months following the CLEC's request to negotiate.²¹ This ten (10) month period ensures that the agreement remains in effect while any unresolved issues are resolved through arbitration before the ICC within the nine (9) month period allotted for arbitration under the Federal Telecommunications Act.²²

CHECKLIST ITEM (i)-INTERCONNECTION

11. As demonstrated in this affidavit, and in the Deere affidavit, Ameritech meets the requirements of checklist item (i) for "interconnection in accordance with the requirements of §§ 251 (c)(2) and 252(d)(1)." 47 U.S.C. § 271(c)(2)(B)(i). Ameritech has implemented binding terms and conditions for interconnection in its approved interconnection agreements (see Attachment A for a summary).
12. The Deere affidavit discusses the various options that Ameritech makes available to CLECs for interconnecting the CLEC's network with Ameritech's network for the exchange of traffic as required by 47 C.F.R. § 51.305. Included in the options for interconnection

²⁰ The Interconnection Agreement between Ameritech and Level 3 Communications, LLC. is referred to in this affidavit as the "Level 3 Agreement."

²¹ See, for example, Level 3 Agreement, General Terms and Conditions §§ 5.2, 5.6, and 5.7.

²² See § 252(b)(4)(C), which requires States, within nine months (270 days), to resolve unresolved issues through arbitration.

DRAFT

discussed in the Deere affidavit are the various forms of collocation. My affidavit will discuss in detail the various types of collocation offered to CLECs for both interconnection and obtaining access to unbundled network elements for the provision of a telecommunications service. The Heritage affidavit provides details regarding the quantities of physical and virtual collocation arrangements in place in Illinois. The following sections of my affidavit provide details of Ameritech's collocation offerings and demonstrate Ameritech's compliance with the FCC's collocation rules.

COLLOCATION – GENERAL

13. In accordance with § 251(c)(6), 47 C.F.R. § 51.321, and 47 C.F.R. § 51.323, Ameritech provides collocation as one means of obtaining interconnection and access to network elements on an unbundled basis. As I demonstrate below, Ameritech has implemented the FCC's collocation requirements from the Advanced Services Order, the Advanced Services Reconsideration Order, and the Advanced Services Remand Order and offers collocation through interconnection agreements and Ameritech's effective collocation tariff (ILL. C.C. Tariff 20, Part 23, Section 4, hereinafter the "Collocation Tariff"). These legally binding terms and conditions cannot be changed without review by the ICC.²³ Attachment A contains a summary of these offerings. As I will demonstrate herein, Ameritech complies with the FCC's rules regarding collocation space availability, types of equipment that may be collocated, and provisions for obtaining other collocation arrangements that have been demonstrated to be technically feasible. Ameritech provides virtual collocation, where the

²³ The ICC approved the terms and conditions of Ameritech's collocation offerings in its August 15, 2000 Order in Docket No. 99-0615. In addition, the ICC reviewed rates for those offerings and directed changes to the central office build-out charge. Ameritech's effective tariff complies with the ICC's mandated rates, terms and conditions.

DRAFT

CLEC furnishes and Ameritech maintains the virtually collocated equipment, regardless of the availability of physical collocation.

14. A CLEC can apply for collocation space even while that CLEC's state certification (or licensing) is still pending, or before the CLEC and Ameritech have entered into a final interconnection agreement (Level 3 Agreement, Appendix Collocation, Section 3.5.1, GIA, Appendix Physical Collocation, Section 3.2, and Collocation Tariff, 2nd Revised Sheet No. 1.5).

COLLOCATION JOB INTERVALS

15. Ameritech has established processes and procedures to ensure that collocation arrangements are available on terms and conditions that are just, reasonable, and nondiscriminatory in accordance with § 251(c)(6) of the Act. These include standards regarding the length of time required to process and implement requests for collocation (See, for example, GIA, Appendix Physical Collocation, Sections 5.2 and 12, and 3.7 and Collocation Tariff, Sheet Nos. 24, 31.2-31.3). Further, these standards are consistent with the criteria established by the FCC in its Advanced Services Reconsideration Order²⁴ and with the ICC's Rehearing Order in Docket No. 99-0615.
16. Notification of Space Availability: Ameritech notifies a requesting collocater whether its request for collocation space has been granted or denied due to a lack of space within ten (10) days of submission of the completed application (Level 3 Agreement, Appendix

²⁴ The FCC's Advanced Services Reconsideration Order specifically revised 47 C.F.R. §§ 51.321(f), 51.323(b), 51.323(f), 51.323(k), and 51.323(l). Ameritech's internal procedures comply with these modified rules. On October 10, 2000, CLECs were notified of the changes in procedures made to comply with the Advanced Services Reconsideration Order (see Accessible Letter CLECAM-134 at <<https://clec.sbc.com/acclatters/home.cfm>>).

DRAFT

Collocation, Section 5.2). The Collocation Tariff (Sheet No. 24) contains comparable provisions.

17. Construction Intervals: Ameritech provides specific collocation arrangement construction intervals. For caged physical collocation, caged shared collocation and cageless collocation, the GIA offers construction and turnover intervals for Active Collocation Space²⁵ ranging from 60-85 calendar days (based on the existence of overhead racking and quantity of requests). The interval for physical collocation in Other (i.e., Inactive) space ranges from 140-185 days, which reflects the additional engineering and construction time necessary to convert inactive space to active collocation space (GIA, Appendix Physical Collocation, Section 12.1 and 12.2). The Level 3 Agreement provides a 90-day interval (Section 3.7.1). The Collocation Tariff (Sheet Nos. 31.2 and 31.3) contains intervals that comply with the ICC's Rehearing Order in Docket No. 99-0615. The ICC approved Ameritech's collocation intervals in its August 15, 2000 Order and its February 2, 2001 Order on Rehearing in Docket No. 99-0615.
18. When a collocator submits multiple collocation requests, the collocation construction intervals are adjusted on a staggered basis.
19. For example, should a collocator submit 11 or more applications within ten (10) business days, the provisioning interval will be increased by ten (10) business days for every ten (10) additional applications (Level 3 Agreement, Appendix Collocation, Section 3.7.1.1). The Collocation Tariff contains comparable provisions on Sheets Nos. 31.2 and 31.3, and the GIA contains comparable provisions in Appendix Physical Collocation, Section 12.2.

DRAFT

20. During the construction of all forms of physical collocation space, collocators are permitted inspection visits during normal business hours (GIA, Appendix Physical Collocation, Section 12.9 and Collocation Tariff 2nd Revised Sheet No. 31.3). This provision is compliant with § 51.321(f) as modified by the Advanced Services Reconsideration Order.
21. Additional Requests: In addition to initial collocation requests, Ameritech accommodates requests to augment existing collocation arrangements (e.g., to modify the power and cabling arrangements). Shortened intervals, where a CLEC requests such changes or additions to an existing collocation arrangement, are also available (GIA, Appendix Physical Collocation, Sections 12.4-12.7). The Collocation Tariff addresses augment intervals on Sheet No. 31.3.
22. Ameritech offers virtual collocation intervals ranging from 60-185 calendar days, based on the number of collocation requests submitted and the need for preparation work such as overhead racking and power (GIA, Appendix Virtual Collocation, Section 12.1). Pursuant to the Level 3 Communications Agreement (Appendix Collocation, Section 10.2), virtual collocation intervals are generally 110 days from receipt of the CLEC's order.
23. Ameritech has established performance measurements to demonstrate the timeliness of processing collocation applications. Details regarding collocation performance measures are discussed in the affidavit of Mr. James Ehr (hereinafter, the "Ehr affidavit").

²⁵ The term "Active Collocation Space" means space within a structure eligible for collocation, which has sufficient infrastructure systems, including power. Any other space is referred to as "Other" (Inactive) space. See GIA, Appendix Physical Collocation, Sections 2.9 and 2.27.

DRAFT

PHYSICAL COLLOCATION OPTIONS

24. As I will describe below, Ameritech offers CLECs caged, shared caged, cageless, and other physical collocation arrangements within its Eligible Structure. Ameritech provides space for physical collocation at a location adjacent to its central office as an option when space for physical collocation is legitimately exhausted.
25. Ameritech allows collocation of telecommunications equipment for the purpose of transmitting and routing telephone exchange service or exchange access service pursuant to 47 U.S.C. § 251(c)(2), or for obtaining access to Ameritech's unbundled network elements pursuant to 47 U.S.C. 251 § (c)(3) to provision a telecommunications service (Level 3 Agreement, Appendix Collocation, Section 4.1 and Collocation Tariff, Sheet No. 1.2). Ameritech is complying with the FCC's Advanced Services Remand Order and on September 19, 2001 issued an Accessible Letter advising CLECs of Ameritech's implementation of the FCC's requirements regarding cross-connects, the collocation and use of equipment which meets the "necessary" standard, and the procedures for CLECs to request a preference regarding physical collocation space.²⁶
26. A CLEC that obtains physical collocation from Ameritech is provided access to a copy of the *Interconnector's Collocation Services Handbook for Physical Collocation* via the CLEC Online website (<<https://clec.sbc.com>>). Collocation installation requirements are contained in *Technical Publication TP 76300MP, Installation Requirements*, which are also available via the CLEC Online website. These documents contain specific details for physical collocation, including insurance requirements, equipment standards, billing details,

²⁶ See Accessible Letter Number: CLECALL01-028. All Ameritech Accessible Letters are available on the CLEC On Line website <<https://clec.sbc.com>> and Accessible Letters referenced in this affidavit will be referenced by Internet address location.

DRAFT

liability issues, quotes, and intervals for various activities throughout the application process. In addition, these documents contain other information necessary to complete the construction of a collocation arrangement consistent with the requirements of 47 C.F.R. § 51.305(g).

Caged Collocation

27. The CLEC has the option to request as caged collocation an individual enclosure that may be as small as the minimum size sufficient to house and maintain a single rack or bay of equipment (i.e., 50 square feet).²⁷ In a February 29, 2000 Accessible Letter, Ameritech advised CLECs regarding how to request collocation in increments of less than fifty square feet (See Accessible Letter CLECAM00-001 at <<https://clec.sbc.com>>).
28. The first collocator in the premises is not responsible for the entire cost of site preparation and security. Rather, the first collocator and each subsequent collocator pay only a pro rata share of the costs based on the square footage of collocation space obtained from Ameritech. (Level 3 Agreement, Appendix Collocation, 4.1.1.1 and Collocation Tariff, Sheet No. 1.5).

Caged Shared Collocation

29. CLECs have the option of Caged Shared Collocation (also referred to as Shared Caged Collocation). Caged Shared Collocation is a caged collocation space shared by two or more collocators where Ameritech prorates the charges for site conditioning and construction of the shared cage and allocates the charges to each collocator based on the percentage of total space obtained by each collocator or as otherwise agreed between the collocators (Level 3 Agreement, Appendix Collocation, Section 4.1.2 and Collocation Tariff, Sheet No. 5).

²⁷ Level 3 Agreement, Appendix Collocation, Section 4.1.1.1, and Collocation Tariff, Sheet No. 4.

DRAFT

30. A CLEC has the ability to contract with other CLECs to share its collocation cage in a sublease-type arrangement. Ameritech permits each CLEC to order UNEs, and to provision service from that shared collocation space, regardless of whether that CLEC was the original collocator (Level 3 Agreement, Appendix Collocation, Sections 4.1.2.1.1 and 4.1.2.1.3, and Collocation Tariff, Sheet No. 7).

Cageless Collocation

31. Another Physical Collocation option is Cageless Collocation, which Ameritech provides in single-bay increments. Collocators will have direct access to their equipment 24 hours a day, 7 days a week without need for a security escort (Collocation Tariff, Sheet No. 3). Ameritech will not require collocators to use an intermediate interconnection arrangement such as a “POT” frame (Level 3 Agreement, Appendix Collocation, Section 4.1.3).
32. The first collocator in an area is not responsible for the entire cost of site preparation and security. Rather, each collocator will only be responsible for its pro rata share of these costs based on the square footage of space obtained by each collocator (Level 3 Agreement, Appendix Collocation, Section 4.1.3.3 and Collocation Tariff, Sheet No. 1.5).

Adjacent Structure Collocation

33. When space is legitimately exhausted²⁸ in an Eligible Structure, CLECs may physically collocate in adjacent controlled environmental vaults or similar structures that Ameritech uses to house telecommunications equipment, to the extent technically feasible (Level 3

²⁸ The term “legitimately exhausted” denotes when all space in a central office that can be used to collocate telecommunications equipment in any of the methods of physical collocation is completely occupied. For example, a central office with less than a minimum of one-bay of cageless collocation space would be considered legitimately exhausted.

DRAFT

Agreement, Appendix Collocation, Section 4.1.4.1). In addition, Ameritech gives the CLEC the option to relocate its equipment into interior space in the event that such interior space in an Eligible Structure becomes available, consistent with revised 47 C.F.R. § 51.323(k) (GIA, Appendix Physical Collocation, Section 4.1.4.3). The Collocation Tariff contains similar provisions on Sheet Nos. 8-9.

34. Ameritech permits the use of a microwave transmission medium by a collocater, where technically and structurally feasible (GIA, Appendix Physical Collocation, Section 10.5.2).

OTHER COLLOCATION ARRANGEMENTS

35. Ameritech will consider requests for other collocation arrangements and will provide other collocation arrangements that have been demonstrated to be technically feasible.

Deployment by any incumbent LEC of a collocation arrangement gives rise to a rebuttable presumption in favor of a CLEC seeking collocation in Ameritech's Eligible Structures that such an arrangement is technically feasible. (Level 3 Agreement, Appendix Collocation, Section 4.2, and Collocation Tariff, Sheet No. 10).

Space Availability Options and Requirements

36. If Ameritech receives an application for physical collocation and there is insufficient space available to satisfy that request in that particular central office, Ameritech will provide the CLEC a letter within 10 days of submission of the completed application (Level 3 Agreement, Appendix Collocation, Section 5.2). Ameritech sends an informational copy of that letter to the ICC staff.
37. If space is not available to accommodate the CLEC's request, the CLEC may request a tour of the premises. Consistent with 47 C.F.R. § 51.321(f) this tour will be scheduled within five business days from the date the written request for such a tour is received from the

DRAFT

CLEC (Level 3 Agreement, Appendix Collocation, Section 5.3 and Collocation Tariff, Sheet No. 14.2).

38. In accordance with 47 C.F.R. § 51.321(h), Ameritech maintains a publicly available document on the Internet²⁹ that identifies any premises that have been identified to be full, and Ameritech is obligated to update this document within ten days of the date a premises is determined to be out of physical collocation space (Level 3 Agreement, Appendix Collocation, Section 5.4 and Collocation Tariff, Sheet No. 13). Ameritech ensures that only premises that no longer have a minimum of one bay of space available for physical collocation are posted to this list. Further, in compliance with revised § 51.321(f), Ameritech has revised its procedures so that its floor plan submissions will identify any space reserved by affiliates, including the nature of the use and the length of time for the reservation (GIA, Appendix Physical Collocation, Section 5.3.2).
39. Prior to submitting an application for physical collocation, a CLEC may also request a report that indicates the available collocation space in a particular Ameritech premises. After receiving that request, Ameritech will provide a report to the requesting CLEC specifying: 1) the amount of collocation space available; 2) the number of current collocators; 3) any modifications in the use of the space since the last report; and 4) measures Ameritech is taking to make additional space available (Level 3 Agreement, Appendix Collocation, Section 5.5). The Collocation Tariff contains comparable provisions on Sheet No. 13.
40. Ameritech applies nondiscriminatory standards for space reservation, including requirements regarding Ameritech's ability to reserve space for its own equipment. In

²⁹ This report can be publicly viewed at <<https://clec.sbc.com>> within the CLEC handbook.

DRAFT

accordance with revised § 51.323(f), Ameritech does not and will not allow any of its affiliates to reserve space for future use on terms more favorable than those that apply to collocating CLECs (Level 3 Agreement, Appendix Collocation, Section 5.10).

41. In order to increase the amount of space available for physical collocation, Ameritech will, upon reasonable request by a collocator or upon order of the ICC, remove obsolete unused equipment from its premises that have no space available. (Level 3 Agreement, Appendix Collocation, Section 5.11, and Collocation Tariff, Sheet No. 15).

Security Options and Requirements

42. While Ameritech imposes reasonable security measures to assist in protecting its network, those measures are not more stringent than the security arrangements Ameritech maintains on its premises for its own employees or for Ameritech's authorized contractors, whichever is the more stringent (Collocation Tariff, Sheet No. 16, and Level 3 Agreement, Appendix Collocation, Section 4.7). In addition, as discussed below, Ameritech does not impose more stringent security requirements than those permitted in the FCC's Advanced Services Order, 14 FCC Rcd at 4787, ¶¶ 46 - 49. Ameritech does not use any information collected in the course of implementing or operating security arrangements "for any marketing or other purpose in aid of competing with collocators." (GIA, Appendix Physical Collocation, Sections 13.1 and 13.1.3). Such information is deemed "Proprietary Information" (Collocation Tariff, Sheet No. 18).
43. CLECs' employees are required to undergo the same level of security training, or its equivalent, that Ameritech's own employees or third party contractors must undergo. Ameritech does not, however, require collocators to receive security training from Ameritech; instead Ameritech will provide collocators information on the specific type of

DRAFT

training required. Collocators can then provide their employees with their own security training (Level 3 Agreement, Appendix Collocation, Section 4.7.3, and Collocation Tariff, Sheet No. 19).

44. Ameritech may use reasonable security measures to protect its equipment. In addition, in the event Ameritech elects to erect an interior security partition to separate Ameritech's own equipment, Ameritech may recover the costs of the partition in lieu of the costs of other reasonable security measures if the partition costs are lower than the costs of any other reasonable security measure. This approach comports with the FCC's findings in the Advanced Services Order, 14 FCC Rcd at 4784-85, 4788, ¶¶ 42, 48, that confirmed the ability of ILECs to take, and recover the costs of, reasonable security measures (GIA, Appendix Physical Collocation, Section 13.1.4 and Collocation Tariff, Sheet Nos. 3 and 16).
45. Further, if Ameritech chooses to construct an interior security partition around its own equipment, that partition may not interfere with CLECs' access to their own equipment (Collocation Tariff, Sheet No. 3, and Level 3 Agreement, Section 4.7). In addition, an interior security partition constructed by Ameritech around its own equipment will not be the basis for a claim that space for collocation is exhausted (Level 3 Agreement, Appendix Collocation, Section 4.1.3).
46. CLECs with physical collocation have access to their collocated equipment 24 hours a day, seven days a week without a security escort. Ameritech provides collocators with reasonable access to restroom facilities and parking (Level 3 Agreement, Appendix Collocation, Sections 4.6, 4.7). The Collocation Tariff contains similar provisions on Sheet Nos. 3, 16, and 30.

DRAFT

Safety Standards Required for Collocated Equipment

47. Ameritech requires that all equipment to be collocated in Ameritech's Eligible Structures meet Level 1 *safety* requirements as set forth in publication TP 76200MP³⁰ but Ameritech may not impose *safety* requirements on the collocators that are more stringent than the *safety* requirements it imposes on its own equipment. Ameritech may not deny collocation of equipment because the equipment fails to meet TP 76200MP *reliability* standards (Level 3 Agreement, Appendix Collocation, Sections 6.1.1-6.1.3). The Collocation Tariff contains similar provisions on Sheet No. 1.3. Ameritech complies with revised § 51.323(b) and has modified its internal procedures to ensure that any affidavit required in support of a claim by Ameritech that the collocator's equipment does not meet *safety* standards will set forth in detail the following:

(i) the exact safety requirement that the requesting carrier's equipment does not satisfy; (ii) Ameritech's basis for concluding that the requesting carrier's equipment does not meet this safety requirement; (iii) Ameritech's basis for concluding why collocation of equipment not meeting this safety requirement would compromise network safety.

VIRTUAL COLLOCATION

48. As described below, regardless of the availability of physical collocation, Ameritech provides virtual collocation where the CLEC furnishes and Ameritech maintains and repairs the virtually collocated equipment (Level 3 Agreement, Appendix Collocation, Section 10.1, and GIA, Appendix Virtual Collocation, Sections 4.1 and 4.2). The Collocation Tariff contains similar provisions on Sheet No. 38.

49. Ameritech uses the same engineering practices for virtually collocated equipment as it does

³⁰ This document is available in the CLEC Online Handbook at <<https://clec.sbc.com>>.

DRAFT

for its own similar equipment in determining the placement of equipment and engineering routes for connecting cabling. The CLEC furnishes the equipment which is then engineered and installed by a mutually agreed upon vendor (GIA, Appendix Virtual Collocation, Sections 4.2 and 4.2.8.1).

50. Ameritech will maintain and repair virtually collocated equipment at the direction of the collocator using the same standards that Ameritech uses for maintaining and repairing its own equipment (GIA, Appendix Virtual Collocation, Section 14.1).

CHECKLIST ITEM (ii) ACCESS TO NETWORK ELEMENTS

51. Ameritech meets checklist item (ii) (47 U.S.C. § 271(c)(2)(B)(ii)) by providing “[n]ondiscriminatory access to network elements in accordance with the requirements of Sections 251(c)(3) and 252(d)(1)” of the 1996 Act. As discussed in the Deere Affidavit, Ameritech provides “nondiscriminatory access to network elements on an unbundled basis at any technically feasible point...in a manner that allows requesting carriers to combine such elements in order to provide such telecommunications service” as required by Section 251(c)(3) of the Act. As described below, Ameritech’s approved interconnection agreements provide access to a comprehensive set of unbundled network elements under terms, and conditions that comply with §§ 251 and 252 of the Act.³¹ Further, the I2A offers CLECs certain new UNE combinations, which are based on the same offerings the FCC

³¹ See Attachment A of this affidavit for a summary of Ameritech’s approved agreements containing offerings related to checklist item number (ii).

DRAFT

found to satisfy checklist item (ii), for access to network elements.³²

52. In addition, as discussed in the affidavit of Ms. Jan D. Rogers, Ameritech offers CLECs nondiscriminatory access to Operator Services (OS) and Directory Assistance (DA) (i.e., OS/DA) in a manner consistent with the FCC's rules and the ICC's requirements. Ameritech also commits to provide nondiscriminatory access to Directory Assistance Listings as required by § 251(b)(3). Ameritech's provisioning of nondiscriminatory access to OS/ DA and Directory Assistance Listings are further discussed in Ms. Rogers' affidavit.

UNE REMAND ORDER

53. As I will discuss below, and as discussed in the Deere Affidavit, Ameritech has legally binding terms and conditions, through its interconnection agreements that offer access to network elements on an unbundled basis in compliance with the FCC's UNE Remand Order. The FCC issued its UNE Remand Order in response to the U.S. Supreme Court's January 1999 decision that directed the FCC to reevaluate the unbundling obligations of § 251 of the Act,³³ resulting in a revised Rule 51.319.
54. Most of the requirements of the FCC's UNE Remand Order were effective on February 17, 2000. Specifically, as of that date, ILECs are required to offer requesting carriers access, on an unbundled basis, to loops (except sub-loops, inside wire and loop dark fiber), the network interface device (NID), circuit switching, interoffice transmission facilities (except interoffice dark fiber), signaling networks and call-related databases (except the Calling

³² The I2A provisions regarding combinations of unbundled network elements are substantively the same as those contained in SWBT's T2A, the K2A, and the O2A. The FCC found these provisions satisfied the competitive checklist in its Texas Order (¶ 218, n. 604). The FCC also found that the UNE combination provisions in SWBT's Kansas and Oklahoma 271 Agreements (K2A and O2A) more than satisfy the checklist (Kansas/Oklahoma Order, CC Docket 00-217, ¶¶ 172-173 & n.490). Further, Ameritech provides UNE combinations pursuant to the Interim Combinations Tariff.

DRAFT

Name Database (“CNAM”), 911 Database, and E911 Database), and Advanced Intelligent Network (AIN), and Operations Support System (“OSS”) (except loop qualification). This included most of the UNEs required under the original Rule 319.

55. The remaining unbundling requirements in the UNE Remand Order became effective on May 17, 2000. Specifically, these requirements are: 1) access on an unbundled basis to loop dark fiber (§ 51.319(a)(1)); 2) access on an unbundled basis to sub-loops and inside wire owned by Ameritech (§ 51.319(a)(2)); 3) access on an unbundled basis to packet switching (§ 51.319(c)(4))³⁴; 4) access on an unbundled basis to interoffice dark fiber (§ 51.319(d)(1)(ii)); 5) access on an unbundled basis to Calling Name Database, 911 Database and E911 Database³⁵ (§ 51.319(e)(2)(i)); and 6) access on an unbundled basis to loop qualification information (§ 51.319(g)).
56. Ameritech offers binding terms and conditions for the items required by the FCC’s UNE Remand Order, including the FCC’s May 17, 2000 requirements. For example, dark fiber, sub-loop unbundling, local switching, tandem switching, signaling networks (e.g., SS7), call related databases (e.g., CNAM, Line Information Database (“LIDB”), Toll Free Calling Database, Advanced Intelligent Network (“AIN”), and loop conditioning are offered in the GIA, and through Ameritech’s approved agreements and tariffs.³⁶ In addition, the GIA is maintained and updated to incorporate the FCC’s UNE Remand requirements for CLECs to use in negotiating interconnection agreements.

³³ AT&T v. Iowa Utils. Bd., 119 S. Ct. 721, 734-36 (1999).

³⁴ The UNE Remand Order requires access to unbundled packet switching only in certain, limited circumstances. See Chapman affidavit and Deere affidavit.

³⁵ Refer to the affidavit of Mr. Valentine.

57. The rules that became effective on February 17, 2000, pursuant to the UNE Remand Order, modified the definitions of a few of the UNEs. As shown below, Ameritech's offerings comply with the UNE Remand requirements:

- **Loops (section 51.319(a)(1)).** Ameritech offers unbundled loops. Ameritech has complied with the revisions required for unbundled loops (See, for example, Level 3 Agreement, Appendix UNE, Section 7 and Tariff ILL. C.C. No. 20, Part 19, Section 2).
- **Network Interface Device (section 51.319(b)).** Ameritech offers the NID. Ameritech redefined the NID network element as any means of interconnection of end user customer premises wiring to Ameritech's distribution loop facilities, such as a cross-connect device used for that purpose. Additionally, a CLEC may connect its local loop facilities to end users' premises wiring through Ameritech's NID, or at any other technically feasible point (See, for example, Level 3 Agreement, Appendix UNE, Section 6 and Tariff ILL. C.C. No. 20, Part 19, Section 2).
- **Switching (section 51.319(c)).** Ameritech offers unbundled local circuit switching capabilities, in conformance with the Act, the FCC's regulations and applicable judicial and/or regulatory decisions. The UNE Remand Order did not require any changes to this UNE by February 17, 2000. Ameritech continues to offer unbundled local switching, although the UNE Remand Order eliminated the unbundled switching requirement with respect to customers with four or more lines in access density zone 1 areas in the top 50 Metropolitan Statistical Areas (MSAs), where Ameritech provides cost-based access to the enhanced extended links (See, for example, Level 3 Agreement, Appendix UNE, Section 9 and Tariff ILL. C.C. No. 20, Part 19, Section 3). Also, Ameritech offers Unbundled Tandem Switching (See, for example, Level 3 Agreement, Appendix UNE, Section 9.7 and Tariff ILL. C.C. No. 20, Part 19, Section 5).
- **Interoffice Transmission Facilities (section 51.319(d)).** Ameritech offers requesting carriers access to interoffice transmission facilities or transport on an unbundled basis. Consistent with the UNE Remand Order, Ameritech redefined the transport network element offering to include dedicated transport at the OC-48 level, or above, as such higher capacities are deployed in Ameritech's network (See, for example, Level 3 Agreement, Appendix UNE, Section 10 and Tariff ILL. C.C. No. 20, Part 19, Section 12).
- **Signaling Networks and Call-Related Databases (section 51.319(e)).** Ameritech offers requesting carriers access to its signaling networks and call-related databases on an unbundled basis (See for example, Level 3 Agreement, Appendix UNE, Appendices: SS7, LIDB AS, LIDB Service, and General Terms and Conditions, Section 45.7.2.1 and Tariff ILL. C.C. No. 20, Part 19, Sections 10, 11, and 13).

³⁶ Attachment A summarizes selected approved agreements which contain these UNEs.

DRAFT

- **Operations Support Systems (section 51.319(g)).** Ameritech offers requesting carriers access to OSS on an unbundled basis³⁷.

58. The FCC required the unbundling of packet switching in very limited circumstances. The Chapman affidavit discusses packet switching. The Affidavit of Mr. John Habeeb likewise explains why Ameritech's separate advanced services affiliate (AADS) has no obligation to unbundle packet switching at this time.

UNE REMAND SUPPLEMENTAL ORDER

59. On November 24, 1999, the FCC issued its UNE Remand Supplemental Order,³⁸ modifying the UNE Remand Order with respect to the use of unbundled network elements to provide exchange access services. The FCC stated: "We conclude that, until resolution of our Fourth FNPRM, which will occur on or before June 30, 2000, interexchange carriers (IXCs) may not convert special access services to combinations of unbundled loops and transport network elements, whether or not the IXCs self-provide entrance facilities (or obtain them from third parties)."³⁹ The FCC explained that the constraint does not apply if an IXC uses combinations of UNEs to provide a significant amount of local exchange service, in addition to exchange access service, to a particular customer.

60. Ameritech has established processes to accept and provision a CLEC's request to convert an existing special access arrangement to a combination of unbundled network elements in

³⁷ For more information regarding OSS, see the affidavits of Mr. Cottrell and Ms. Kagan.

³⁸ Supplemental Order, Implementation of Local Competition Provisions of Telecommunications Act of 1996, 15 FCC Rcd 1760 (1999) ("UNE Remand Supplemental Order").

³⁹ Id. at 1. On June 2, 2000, the FCC released a Supplemental Order Clarification in which the FCC extended the temporary constraint on conversion of special access services until the FCC resolves the issues in the *Fourth FNPRM*.

DRAFT

accordance with the FCC's Supplemental Order and Supplemental Order Clarification.⁴⁰

Following the release of the Supplemental Order Clarification in June 2000, Ameritech revised its procedures to ensure its consistency with the requirements of that order.

61. Ameritech implemented further revisions to its procedures and updated its ordering process for the conversion of special access services to loop-transport UNE combinations on March 1, 2001. CLECs were notified of these revisions in a February 1, 2001 Accessible Letter (See Accessible Letter CLECAM01-023 at <<https://clec.sbc.com/acclatters/home.cfm>>). In addition, the details of the entire procedure can be found on the CLEC Online website in the CLEC Handbook.⁴¹

LINE SHARING ORDER

62. As discussed in the Chapman affidavit, Ameritech provides the high frequency portion of the loop ("HFPL") UNE to CLECs pursuant to the FCC's Line Sharing Order and Line Sharing Order on Reconsideration. Ameritech filed a tariff offering for the HFPL UNE at the rates, terms and conditions required by the ICC (Tariff ILL. C.C. No. 20, Part 19, Section 2). In addition, Ameritech offers the HFPL UNE via its approved interconnection agreements (Level 3 Agreement, Appendix DSL) and negotiates terms and conditions for the HFPL UNE through the GIA.

COMBINATION OF UNBUNDLED NETWORK ELEMENTS

63. As the FCC recognized when it promulgated its UNE combination rules in 47 C.F.R. § 51.315, combinations of network elements fall into two general categories: 1) network

⁴⁰ Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, Supplemental Order Clarification, 15 FCC Rcd 9587 (2000) ("Supplemental Order Clarification").

⁴¹ The Interim Combinations Tariff, original Sheet No. 5, contains terms and conditions for the Reconfiguration of Special Access Arrangements to UNE Combinations.

elements that are currently physically combined in Ameritech's network at the time of the CLEC's request; and 2) network elements that are not currently physically combined in Ameritech's network at the time of the CLEC's request. As to the first category, consistent with the Supreme Court's reinstatement of the FCC's rule 47 C.F.R. § 51.315(b), Ameritech does not separate the specific unbundled network elements requested that are currently physically combined in its network unless requested to do so by the CLEC (Tariff ILL. C.C. No. 20, Part 19, Section 15, and I2A 2.2.1.2).

64. Further, as the Eighth Circuit Court ruled on remand from the Supreme Court:

...Congress has directly spoken on the issue of who shall combine previously uncombined network elements. It is the requesting carriers who shall "combine such elements." It is not the duty of the ILECs to "perform the functions necessary to combine unbundled network elements in any manner"... We reiterate what we said in our prior opinion: "[T]he Act does not require the incumbent LECs to do all the work."⁴²

In the Eighth Circuit's view, the Supreme Court's decision to uphold § 51.315(b), which prohibits incumbent LECs from separating already combined elements, did not affect the Eighth Circuit's 1997 decision concerning new combinations.⁴³ That is, the Eighth Circuit's vacatur of 51.315 (c)-(f) was affirmed.

65. As the Eighth Circuit concluded, the 1996 Act does not permit a requirement that Ameritech do the work to combine network elements.⁴⁴ However, as I will explain, the I2A contains certain provisions that exceed federal legal requirements in this regard. The proposed I2A is

⁴² Iowa Utilities Board v. FCC, 219 F.3d 744, 759 (8th Cir. 2000), *cert. granted* 121 S. Ct. 878 (2001).

⁴³ Id., 219 F.3d at 758-59.

⁴⁴ The rates, terms and conditions, and the scope of Ameritech's obligations to provide UNE combinations were the subject of proceedings in ICC Docket Nos. 98-0396 and 00-0700. Proceedings regarding Ameritech's compliance with the UNE combination requirements of Section 13-801 of the PUA are in progress in Docket No. 01-614.

DRAFT

Attachment B to this affidavit.⁴⁵ Ameritech Illinois readily acknowledges that the recent Illinois legislation and the ICC have also addressed Ameritech Illinois' obligation to provide new combinations. In addition, the ICC has initiated proceedings that address these matters (e.g., Docket No. 00-614). However, those proceedings are primarily matters of state law. As this Commission is aware, the issue of whether an incumbent LEC is required to provide new combinations under federal law is presently pending before the United States Supreme Court. Because this proceeding is focused on compliance with federal law, and the FCC will primarily consider commitments made at the federal level, Ameritech Illinois is also offering a Section 271 amendment ("I2A") as part of this application that is substantially similar to terms and conditions related to UNE combinations that have been approved by the FCC for the states of Texas, Kansas, Oklahoma, Arkansas and Missouri.

66. To further open the market and provide certainty to CLECs, the I2A offers new network element combinations requested by CLECs to provide local service to residential customers, at the rates contained in the I2A, for three years following the ICC's approval of the I2A (subject to the FCC's timely approval of this 271 application). Similarly, CLECs may obtain new UNE loop-port combinations, under the I2A rates, for use in providing service to business customers for two years (subject to the FCC's timely approval of this 271 application). Ameritech thus offers CLECs certainty that these I2A offerings will remain available at the stated rates for the term of the I2A commitments, notwithstanding pending regulatory and court proceedings, except as specifically provided for in the terms of the I2A

⁴⁵ The I2A is a voluntary contract amendment offered by Ameritech within the context of this § 271 proceeding. CLECs in Illinois can currently obtain UNE combinations pursuant to the terms of the Illinois PUA 2001 contract Amendment or the Interim Combinations Tariff (Tariff ILL. C.C. No.20, Part 19, Section 22).

DRAFT

(See I2A at 2.2.5 and 2.2.6). The full term of the I2A is four years (subject to the FCC's timely approval of this 271 application).⁴⁶

67. The I2A provisions regarding new combinations of unbundled network elements are substantively the same as those contained in the Texas T2A, as well as in similar offerings in Kansas, Oklahoma, Arkansas, Missouri and the Ameritech Michigan Mi2A. In the Texas Order ¶ 216, the FCC found:

We also conclude that SWBT provides access to UNEs in a manner that allows requesting carriers to combine those elements, and that SWBT provides access to preexisting combinations of network elements. We base our conclusion on evidence of actual commercial usage, and also on SWBT's legal obligation to provide such access as established in the T2A.

Likewise, in the Kansas/Oklahoma Order ¶ 171, the FCC found:

...we conclude that SWBT provides nondiscriminatory access to combinations of unbundled network elements. Based on the evidence in the record, SWBT demonstrates that it provides access to UNEs in a manner that allows requesting carriers to combine those elements, and that SWBT provides access to preexisting combinations of network elements. (footnotes omitted)

The Michigan Public Service Commission (MPSC) approved the Mi2A for implementation in its March 19, 2001 Order on Rehearing in Case No. U-12320, and found that "Ameritech Michigan's combinations proposal complies with the scope of the product offering that today is required by Section 271 of the FTA." Subsequently, Ameritech Michigan made the Mi2A available to CLECs on March 29, 2001.⁴⁷ Upon ICC approval of the I2A, Ameritech Illinois will notify CLECs via an Accessible Letter and post the I2A to the CLEC website. At that time, CLECs will be able to request the I2A. Attachment C to this affidavit

⁴⁶ The I2A pricing appendix indicates that certain prices are subject to the outcome of ICC proceedings.

⁴⁷ See Accessible Letter CLECMI 01-002 at <<https://clec.sbc.com/acclatters/home.cfm>>.

DRAFT

demonstrates the comparability of the UNE combination provisions of the I2A to those already approved by the FCC in SWBT's prior § 271 applications.⁴⁸

68. The I2A provides that Ameritech will combine certain network elements on the CLEC's behalf, when requested to do so (I2A, 2.1.2, 2.2.1.1). These new combinations of unbundled network elements include certain new loop and switch port combinations, i.e., what is referred to as the new "UNE platform," for both business and residential customers (I2A, 2.2.1.1, 2.2.5, and 2.2.6), and under certain conditions, new loop and interoffice transport combinations, i.e., the Enhanced Extended Loop ("EEL") (I2A, 2.3).
69. For CLECs that choose to perform the functions of combining elements for themselves, Ameritech provides such network elements in a manner that allows the CLEC to combine such elements in order to provide a telecommunications service. To combine unbundled network elements for themselves, CLECs may choose among the various collocation options discussed earlier in the interconnection section of this affidavit or, as provided in the I2A, and as discussed below, CLECs may choose the secured frame option (I2A, 2.5.3).⁴⁹ The secured frame option offered in the I2A is substantively the same as the secured frame option offered by SWBT in Texas, Kansas, Oklahoma, Arkansas and Missouri. In paragraph 173 of the Kansas/Oklahoma Order, the FCC found:

As required by our rules, competitive LECs may also request technically feasible methods of combining UNEs, other than collocation, that are consistent with the provisions of the 1996 Act and other governing statutes and decisions so that such carrier may combine network elements for themselves. For example, SWBT will provide interested competitive LECs access to a secured frame room (or cabinet,

⁴⁸ See Texas Order ¶ 218, n. 604; see also Kansas/Oklahoma Order ¶¶ 172–173, n. 490.

⁴⁹ CLECs may also request arrangements to combine UNEs, outside the I2A, that do not require collocation (Level 3 Agreement, Appendix UNE, Section 3.0).

DRAFT

where space constraints require) that is set aside for accomplishing the necessary connections. (footnotes omitted)

Attachment C to this affidavit demonstrates that the I2A terms and conditions for the secured frame option are the substantively same as those already approved by the FCC.

70. In addition, under the I2A, CLECs may use Ameritech's shared transport UNE to provide local and intraLATA toll service to those end users to which they provide basic local exchange service (I2A, 2.1.3, 2.1.4).⁵⁰ This same ability was incorporated into the T2A, as well as the K2A and the O2A.⁵¹

LOOP AND SWITCH PORT COMBINATIONS FOR BUSINESS SERVICES

71. For loops and switch ports not currently physically combined in Ameritech's network, Ameritech will combine, (as provided in the I2A, 2.2.5) certain unbundled local loops with certain unbundled local switch ports for CLECs to provide service to business customers for two years (subject to the FCC's timely approval of this 271 application). After that date, in those Ameritech central offices where there are four or more CLECs collocated and where Ameritech has provided unbundled network elements, Ameritech may elect not to combine unbundled network elements for a CLEC's business customers when those UNEs are not already physically combined in that central office. If Ameritech makes such an election, it will provide the requesting CLEC with access to a secured frame, at no cost to the CLEC, where the CLEC can perform its own combining of those network elements.⁵² Pricing for the UNEs, as I discuss below, is consistent with § 252(d) of the Act. Also, after two years, in the event the FCC or the ICC determines that a certain network element need not be

⁵⁰ CLECs purchasing UNE-P from the Interim Combinations Tariff or the Illinois PUA 2001 contract Amendment can obtain similar shared transport capabilities.

⁵¹ See Kansas/Oklahoma Order, ¶ 174.

⁵² See I2A, 2.2.5.3.2.

DRAFT

provided, Ameritech will continue to make the network element combination available to CLECs (subject to the FCC's timely approval of this 271 application) at prices set by Ameritech. In addition, if the FCC or the courts modify the TELRIC cost/pricing requirements, Ameritech may renegotiate the applicable prices for unbundled network elements after two years (subject to the FCC's timely approval of this 271 application) (I2A, 2.2.5, 2.2.5.1 and 2.2.5.2). These provisions for loop and switch port combinations for business services in the I2A are substantively the same as those provided by SWBT under the T2A, as demonstrated in Attachment C to this affidavit.

LOOP AND SWITCH PORT COMBINATIONS FOR RESIDENTIAL SERVICES

72. Ameritech will provide (as provided in the I2A, 2.2.6) certain new combinations of an unbundled local loop and unbundled local switching not currently physically combined in Ameritech's network for the CLEC to provide service to residential customers for the duration of the term of the I2A. For a period of three years (subject to the FCC's timely approval of this 271 application), pricing for those new combinations will be at the rates established in the I2A. After that date, if Ameritech is not legally obligated to provide a certain network element or if the FCC or the courts modify the TELRIC pricing requirements, Ameritech will continue to provide the affected elements as part of the UNE combination offering in the I2A for the duration of the term of the I2A and will continue to perform combining for residential services. However, as provided in the I2A,⁵³ while Ameritech may adjust the price of affected elements as permitted by law, it will not increase the total price of the equivalent of a complete UNE platform by more than 20% per year. These provisions for loop and switch port combinations for residential services in Illinois are

⁵³ I2A, 2.2.6.1.

DRAFT

substantially the same as those in the T2A, as demonstrated in Attachment C to this affidavit.

ENHANCED EXTENDED LOOP

73. For loops and transport not currently physically combined in Ameritech's network, as an alternative to collocation in the central office in which the end user's loop terminates, the I2A offers CLECs a new "Enhanced Extended Loop" ("EEL") option.⁵⁴
74. The new EELs offered in the I2A enables CLECs to gain access to specified unbundled local loop types where Ameritech performs the work to combine the loop with specified types of unbundled dedicated transport. The unbundled dedicated transport "extends" those loops to either another Ameritech central office where the CLEC has collocation. CLECs may use this EEL when providing a substantial amount of local exchange service to the end user, under the criteria established in the FCC's Supplemental Order Clarification (I2A, 2.3.5).
75. As demonstrated in Attachment C to this affidavit, the I2A contains substantially the same EEL arrangement offered by SWBT in the T2A, and that the FCC already found to be acceptable under § 271.

SECURED FRAME OPTION

76. The I2A allows CLECs to use the secured frame option to combine unbundled network elements. The secured frame option is available in two contexts under the I2A. The first context is in regard to the "UNE platform" for business customers, and the second is in regard to EEL functionality (I2A, 2.2.5.3, 2.3.3). The FCC previously approved the secured

⁵⁴ I2A, 2.3. CLECs can also obtain certain EEL combinations pursuant to the Interim Combinations Tariff or the Illinois 2001 PUA contract Amendment. The application of non-recurring charges for new EEL combinations is part of current proceedings in ICC Docket No. 01-614.

DRAFT

frame room option and found that it “provides access to UNEs in a manner that allows requesting carriers to combine those elements...” (Texas Order ¶¶ 216-217).⁵⁵ As shown in Attachment C to this affidavit, the I2A offers substantially the same secured frame option as offered by SWBT under the T2A. In addition, the FCC noted that the availability of the secured frame option is an alternative method for combining UNEs and is distinct from collocation.⁵⁶

77. The following discussion focuses on the secured frame option as it relates to the “UNE platform” for business customers. However, the secured frame operates in a similar manner under the EEL provisions of the I2A. As explained earlier, under the I2A, Ameritech may cease combining network elements that are not currently physically combined for business customers in offices where there are four or more CLECs collocated.⁵⁷ In those central offices, the secured frame option will be offered to CLECs at no additional charge to the CLEC. CLECs will have the opportunity to submit to Ameritech a forecast of their anticipated needs for access to unbundled network elements where they intend to perform the combining using the secured frame option. Using this forecast information, Ameritech will construct, at no additional cost to the CLEC, a secured frame room, or if space is not available, an external cross-connect cabinet until space becomes available. There, the CLEC may combine unbundled network elements in the same way that Ameritech combines UNEs on its main distributing frame by placing a jumper wire cross-connect. If, at any time after a secured frame room or external cross-connect cabinet is made available, Ameritech is unable

⁵⁵ See also Kansas/Oklahoma Order ¶¶ 171 – 173.

⁵⁶ Texas Order ¶ 271 and Kansas/Oklahoma Order ¶ 173.

⁵⁷ This provision does not apply to residential customers.

DRAFT

to meet the CLEC's forecast due to a lack of capacity, Ameritech offers to combine unbundled network elements on the CLEC's behalf, until Ameritech can provide capacity in the secured frame room or external cross-connect cabinet (I2A, 2.2.5.3).

78. Under the I2A CLECs do not have to own or control any of their own local exchange facilities before they can purchase unbundled network elements to provide a telecommunications service (I2A, 2.2.3.4). Through the collocation options I discussed earlier, CLECs have the ability to purchase unbundled network elements and to combine those network elements without the need to own or control local exchange facilities. In addition, Ameritech's offer via the I2A to combine certain unbundled network elements that are not already physically combined, and the I2A's secured frame option, provide additional methods for CLECs to obtain access to unbundled network elements without owning or controlling local exchange facilities.

INTELLECTUAL PROPERTY

79. On April 27, 2000, the FCC issued a Memorandum Opinion and Order in Docket No. 96-98, which clarifies at paragraph 9 that “. . . incumbent LECs must exercise their best efforts to obtain co-extensive rights for competing carriers purchasing unbundled network elements.” In this same order, the FCC also stated at paragraph 2 “. . . we do not believe that this issue is currently preventing competing carriers from being able to enter the local exchange and exchange access markets. . . .”⁵⁸ Ameritech is not aware of any action where third party intellectual property owners have asserted any claim or request for payment from CLECs for the use of UNEs. Nonetheless, Ameritech will use its best efforts to obtain any associated

⁵⁸ Memorandum Opinion And Order, Petition of MCI for Declaratory Ruling that New Entrants Need Not Obtain Separate License or Right-to-use Agreements Before Purchasing Unbundled Elements Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, 15 FCC Rcd 13,896 (2000).

DRAFT

intellectual property rights that are necessary for the requesting carrier to use unbundled network elements or ensure that none are required in compliance with the FCC's order (See, for example Level 3 Agreement, General Terms and Conditions, Section 14.5.1).

CHECKLIST ITEM (iv): LOCAL LOOP

80. Ameritech meets the requirements of checklist item (iv) by offerings access to “local loop transmission from the central office to the customer’s premises, unbundled from local switching or other services” pursuant to 47 U.S.C. § 271(c)(2)(B)(iv).
81. As discussed in my affidavit, as well as in the Deere and Chapman affidavits, Ameritech complies with the requirements of this checklist item and has implemented binding terms and conditions⁵⁹ for unbundled local loops, sub-loop elements, dark fiber, and the High Frequency Portion of the Loop (HFPL) in accordance with the FCC’s Local Competition First Report and Order, UNE Remand Order, Line Sharing Order and Line Sharing Reconsideration Order.
82. The local loop network element provides a dedicated transmission path between a distribution frame (or its equivalent) in an Ameritech central office and the loop demarcation point at an end user’s premises (i.e., the NID). Where applicable, the local loop includes all wire within multiple dwelling and tenant buildings and campuses that provides access to customer premises wiring, provided such wiring is owned and controlled by Ameritech. Ameritech’s local loop offerings include all features, functions and capabilities of the transmission facility, including dark fiber and attached electronics (except those electronics used for the provision of advanced services, such as Digital Subscriber Line Access

⁵⁹ See Attachment A for a summary of Ameritech’s offerings related to this checklist item.

DRAFT

Multiplexers), and line conditioning. Ameritech's local loop offerings include DS1, DS3, fiber, and other high capacity loops to the extent required by applicable law (47 C.F.R. § 51.319(a)).

83. Ameritech's approved interconnection agreements, and, where noted, its tariff⁶⁰, offer the following types of unbundled local loops:

- 2-Wire analog loop (Loops Tariff, Sheet No. 22, and Level 3 Agreement, Appendix UNE, Section 7.2.1)
- 4-Wire analog loop (Loops Tariff, Sheet No. 22, and Level 3 Agreement, Appendix UNE, Section 7.2.2)
- 2-Wire digital loop (160 Kilobits per second to support Basic Rate ISDN) (Loops Tariff, Sheet No. 23, and Level 3 Agreement, Appendix UNE, Section 7.2.3)
- 2-Wire digital loop (144 Kilobits per second to support IDSL) (Loops Tariff, Sheet No. 23)
- 4-Wire digital loop (1.544 Megabits per second to support DS1 services) (Loops Tariff, Sheet No. 23, and Level 3 Agreement, Appendix UNE, Section 7.2.4)
- 2-Wire xDSL Loop (Level 3 Agreement, Appendix DSL)
- 4-Wire xDSL Loop (Level 3 Agreement, Appendix DSL)
- ADSL and HDSL Compatible Loops (Loops Tariff, Sheet No. 23)
- DS3 digital loop (45 Mbps) (Level 3 Agreement, Appendix UNE, Section 7.2.5.1)

The technical details of the unbundled loops above are discussed in the Deere affidavit.

⁶⁰ Tariff ILL. C.C. No. 20, Part 19, Section 2 ("Loops Tariff"). Ameritech notes that its tariff will be amended to add the DS-3 UNE loop.

DRAFT

84. Ameritech also offers loop conditioning options pursuant to approved agreements as well as in the GIA (see, for example, Level 3 Agreement, Appendix DSL). In addition, conditioning options for loops and sub-loops are available pursuant to tariff. A CLEC may request and, to the extent technically feasible, Ameritech will provide additional loop types and additional types of conditioning pursuant to the BFR process as described in the Deere affidavit. The details regarding DSL unbundled loops are discussed in the Deere and Chapman affidavits.
85. The Heritage affidavit provides information regarding the number of loops provided to CLECs in Illinois.

SUB-LOOP ELEMENTS

86. Ameritech has implemented binding terms and conditions for providing sub-loop elements in its approved agreements (See, for example, Level 3 Agreement, Appendix UNE Section 8) and its Tariff ILL. C.C. No. 20, Part 19, Section 16, (hereinafter, the “Sub-Loops Tariff”) contains similar provisions.
87. As described in the Deere affidavit, an unbundled sub-loop is an existing spare portion of the loop that can be accessed at accessible points on the loop. An accessible point on the loop is where Ameritech’s technicians can access the copper wire or fiber within the cable without removing a splice case to reach the wire or fiber within.
88. Ameritech offers the following types of sub-loop elements:
- 2-Wire Analog Sub-Loop (Sub-Loops Tariff, Sheet No. 4, and Level 3 Agreement, Appendix UNE, Section 8.7)

DRAFT

- 4-Wire Analog Sub-Loop (Sub-Loops Tariff, Sheet No. 4, and Level 3 Agreement, Appendix UNE, Section 8.7)
- 2-wire digital Sub-Loop (ISDN-BRI) (Sub-Loops Tariff, Sheet No. 4, and Level 3 Agreement, Appendix UNE, Section 8.7)
- 4-Wire DS1 Sub-Loop (Sub-Loops Tariff, Sheet No. 4, and Level 3 Agreement, Appendix UNE, Section 8.7)
- DS3 Sub-Loop (Sub-Loops Tariff, Sheet No. 4, and Level 3 Agreement, Appendix UNE, Section 8.7)
- 2-Wire / 4-Wire DSL Sub-Loops (Sub-Loops Tariff, Sheet No. 4, and Level 3 Agreement, Appendix UNE, Section 8.7)

89. Ameritech has implemented binding terms and conditions to offer loop dark fiber as an unbundled network element (Level 3 Agreement, Appendix UNE, Section 18.3 and Tariff ILL. C.C. No. 20, Part 19, Section 18). The Deere affidavit discusses the details regarding loop dark fiber.

90. As discussed in the Chapman affidavit, Ameritech provides loop qualification in accordance with the FCC's UNE Remand Order, and makes available loop qualification information through interconnection agreements and pursuant to its tariff (Tariff ILL. C.C. No. 20, Part 19, Section 2).

CHECKLIST ITEM (v) LOCAL TRANSPORT

91. Under checklist item (v), 47 U.S.C. § 271(c)(2)(B)(v), Ameritech is required to provide local transport from the trunk side of its switch unbundled from local switching or other services. Consistent with the FCC's requirements in 47 C.F.R. § 51.319(d), Ameritech provides access to both unbundled dedicated interoffice transport and unbundled shared transport in its interconnection agreements. Attachment A summarizes the agreements that

DRAFT

contain Ameritech's binding terms and conditions related to these required wholesale products. Unbundled dedicated and unbundled shared transport are also discussed in the Deere affidavit.

UNBUNDLED DEDICATED TRANSPORT

92. Ameritech provides unbundled dedicated transport as an interoffice transmission path dedicated to a particular CLEC that provides telecommunications between wire centers owned by Ameritech, or between switches owned by Ameritech or the CLEC (Level 3 Agreement, Appendix UNE, Section 10.3.1). As further described in the Deere affidavit, Ameritech offers Digital Cross-connect System (DCS) functionality as part of the unbundled dedicated transport element with the same functionality that is offered to interexchange carriers (Level 3 Agreement, Appendix UNE, Section 10.5.1).
93. The following transmission speeds are available as Dedicated Transport standard offerings: DS1 (1.544 Mb/s); DS3 (45 Mb/s); OC3 (155.520 Mb/s); OC12 (622.080 Mb/s); OC48 (2488.320 Mb/s); higher speeds will be made available to the CLECs as they are deployed in Ameritech's network. (Level 3 Agreement, Appendix UNE, Section 10.3.2). Similar offerings are contained in the tariff (Tariff ILL. C.C. No. 20, Part 19, Section 12, Sheet Nos. 6 and 7). The Deere affidavit discusses other options provided with unbundled dedicated transport (e.g., multiplexing).
94. Ameritech also provides CLECs with the use of Ameritech's interoffice dark fiber. Interoffice dark fiber runs between two different Ameritech central offices and terminates on a fiber distribution frame, or equivalent, in the central office. (Tariff ILL. C.C. No. 20, Part 19, Section 18, and Level 3 Agreement, Appendix UNE, Sections 18.1-18.2.1). Additional discussion of dark fiber is contained in the Deere affidavit.

DRAFT

95. In addition to providing unbundled dedicated transport as a separate unbundled network element, Ameritech will combine certain unbundled dedicated transport types with specific types of unbundled local loops (i.e., to provide the new EEL) under the I2A, as I discussed earlier. Similar provisions for such combinations are also contained in the Interim Combinations Tariff.

UNBUNDLED SHARED TRANSPORT

96. Consistent with the FCC's conditions of the SBC/Ameritech merger, Ameritech implemented its "permanent" version of shared transport on October 8, 2000. Unbundled shared transport is provided only in conjunction with unbundled local switching, through Ameritech's product offering called unbundled local switching with shared transport (ULS-ST).⁶¹ As further discussed in the Deere affidavit, ULS-ST provides CLECs access to Ameritech's local routing tables in its switches in order to have their local traffic routed over shared transport in the same way that Ameritech's own local traffic routes over shared transport.⁶² This includes the ability to route local traffic between Ameritech's switches and the ability to route traffic destined for other carriers to Ameritech's points of interconnection (typically at local tandems). In addition, CLECs may use unbundled shared transport to provide interexchange access to an interexchange carrier (i.e., to that interexchange carrier's Feature Group D access trunks) for that IXC to originate/terminate interexchange service from/to the CLEC's end-user customers.

⁶¹ Shared Transport is offered pursuant to Tariff ILL. C.C. No. 20, Part 19, Section 21, which became effective October 8, 2000, as well as under interconnection agreements. Extensive proceedings on the rates for "permanent" shared transport have been conducted in ICC Docket No. 00-0700 and a decision is pending from the ICC.

DRAFT

97. As discussed in the Deere affidavit, “Shared Transport-Transit” permits telecommunications carriers subscribing to ULS-ST to use shared facilities between Ameritech central office switches and non-Ameritech central office switches.

CHECKLIST ITEM (vi) LOCAL SWITCHING

98. 47 U.S.C. § 271(c)(2)(B)(vi) requires Ameritech to provide local switching unbundled from transport, local loops, and other services. Attachment A to this affidavit summarizes Ameritech’s approved agreements that implement binding terms and conditions for unbundled local switching that satisfy 47 C.F.R. § 51.319(c)(1) and (2).
99. Ameritech’s unbundled local switching (ULS) offering encompasses all features, functions, and capabilities of the local switch. It also includes the same basic capabilities available to Ameritech customers, such as a telephone number, dial tone, signaling and access to 911, operator services, directory assistance and features and functions necessary to provide all services required by Illinois law. In addition, ULS includes all vertical features resident in the switch, including custom calling, CLASS features, and Centrex-like capabilities, as well as any technically feasible customized routing, blocking/screening, and recording functions (47 C.F.R. § 51.319(c)(1). (See for example, Level 3 Agreement, Appendix UNE, Sections 9.1-9.2.3). Similar provisions are offered in Tariff ILL. C.C. No. 20, Part 19, Section 3 (hereinafter, the “ULS Tariff”).
100. Ameritech’s unbundled local switching offering enables the CLEC to designate the features and functions that are to be activated on a particular unbundled switch port to the extent that

⁶² Consistent with SWBT’s offering under the T2A, O2A, and K2A, under the I2A, a CLEC that uses ULS-ST to provide local exchange service to its end user may also use Ameritech’s intraLATA interexchange facilities as part of ULS-ST to carry intraLATA toll calls for that end user over Ameritech’s network to its final termination point. Similar capabilities are also provided with ULS-ST obtained under the Interim Combinations Tariff.

DRAFT

such features and functions are available. As stated above, when a CLEC purchases unbundled local switching, Ameritech provides the CLEC the vertical features that the switch is capable of providing (Level 3 Agreement, Appendix UNE, Section 9.2.2 and ULS Tariff Sheet No. 2).

101. Ameritech provides the following types of switch ports under its interconnection agreements and, where noted, the ULS tariff:

- Analog (or Basic) Line Port⁶³ (ULS Tariff, Sheet No. 23, and Level 3 Agreement, Appendix UNE, Section 9.5.1.1.1)
- Analog (DID) Trunk Port (ULS Tariff, Sheet No. 25, and Level 3 Agreement, Appendix UNE, Section 9.5.1.2.1)
- DS1 Trunk Port⁶⁴ (ULS Tariff, Sheet No. 27 and Level 3 Agreement, Appendix UNE, Section 9.5.1.2.3)
- ISDN Basic Rate Interface (BRI) Port (ULS Tariff, Sheet No. 25, and Level 3 Agreement, Appendix UNE, Section 9.5.1.1.4)
- Additional Port Types are also contained in the ULS Tariff.

102. Ameritech provides unbundled tandem switching in a manner that meets the FCC's rules.

Ameritech's tandem switching provides trunk-to-trunk connections for local calls between two end offices, including two offices belonging to different CLECs (Level 3 Agreement,

⁶³ A basic analog line port may be configured as either ground start or loop start. The Analog Line Port can be provisioned with Centrex-like features and capabilities.

⁶⁴ This ULS Trunk Port provides for digital trunk access via a 1.544 Mbps central office termination. For details regarding this trunk port see the Deere affidavit.

DRAFT

Appendix UNE, Section 9.7, and Tariff ILL. C.C. No. 20, Part 19, Section 5). Unbundled tandem switching is further discussed in the Deere affidavit.

103. As further discussed in the Deere Affidavit, Ameritech's unbundled local switching includes the ability, for end users served by the CLEC, to originate and receive intraLATA and interLATA calls in addition to local calls. With implementation of intraLATA toll dialing parity,⁶⁵ intraLATA toll and interLATA calls from an unbundled switching element (i.e., switch port) are routed to the presubscribed carriers (PICs) assigned to the line. Additional technical aspects of unbundled local switching are discussed in the Deere affidavit.

USAGE INFORMATION

104. When a CLEC obtains unbundled local switching from Ameritech, Ameritech provides detailed usage information to that CLEC. This information may be used by the CLEC to determine the use of Ameritech's unbundled local switching for which Ameritech bills the CLEC, and to bill the CLEC's customers (both the CLEC's retail end users and connecting carriers) for the use of the services it provides based on the switching obtained from Ameritech. The switching usage information provided to CLECs is based on detailed Ameritech recordings of the usage on each unbundled switch port provided. Consistent with the FCC's Second Louisiana Order,⁶⁶ on a daily basis, Ameritech provides CLECs, in the industry standard Exchange Message Interface ("EMI") format, detailed usage information for all originating and terminating usage on each of the CLECs' unbundled switch ports.

⁶⁵ Dialing parity is discussed further in the Deere affidavit.

⁶⁶ Memorandum Opinion and Order, Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana, 13 FCC Rcd 20599, 20698-699 (1998) ("Second Louisiana Order") ¶ 160.

DRAFT

These EMI records are sent to the CLEC on the daily use file (DUF), as described more fully in the affidavit of Ms. Denise Kagan (hereinafter, the “Kagan affidavit”).

105. As discussed in the Kagan affidavit, Ameritech has modified its Common Ameritech Message Processing System (CAMPS) to enable Ameritech to not render billing to an interexchange carrier (IXC) for access originated by or terminated to a CLEC’s unbundled switch ports, and to instead send EMI access records to the CLEC on the DUF.⁶⁷ Thus, when the CLEC utilizes Ameritech’s unbundled local switching to provide interexchange access to its end user, Ameritech does not bill access charges to the IXC, but bills the CLEC for that use of the unbundled switching element as provided in the applicable interconnection agreement. The detailed settlement records provided by Ameritech also provide the information needed by the CLEC to participate in settlement for reciprocal compensation in a manner similar to a carrier that provides its own switch.
106. Specific performance measurements regarding Ameritech’s timeliness and accuracy in provisioning of usage data are discussed in the Ehr affidavit.

CHECKLIST ITEM (x): ACCESS TO DATABASES AND ASSOCIATED SIGNALING

107. Ameritech satisfies checklist item (x) by providing nondiscriminatory access to its databases and associated signaling necessary for call routing and completion, pursuant to 47 U.S.C. § 271(c)(2)(B)(x).

⁶⁷ This process was implemented on October 8, 2000 and coincided with Ameritech’s implementation of the shared transport UNE, in satisfaction of the FCC’s order approving the SBC/Ameritech merger. On September 18, 2000 CLECs in Illinois were notified of this implementation via an Accessible Letter, CLECAM 00-104 (See Accessible Letter CLECM101-002 at <<https://clec.sbc.com/acclatters/home.cfm>>).

DRAFT

108. Under § 52.319(e) of 47 C.F.R., the FCC requires Ameritech to provide nondiscriminatory access to call-related databases. As described below, and in the Deere affidavit, Ameritech meets these requirements by providing CLECs with nondiscriminatory unbundled access to its Advanced Intelligent Network (“AIN”) database, Ameritech’s Toll Free Calling Database (“800 database”), the same Line Information Database (“LIDB”) and Calling Name Database (“CNAM”) functions used by Ameritech, and Ameritech’s LIDB Service Management System, known as the Operator Services Marketing Order Processor (“OSMOP”). Ameritech has implemented binding terms and conditions for providing CLECs with nondiscriminatory access to the AIN database, the 800 database, and the LIDB and CNAM Database as described below.⁶⁸

109. Ameritech provides CLECs nondiscriminatory access to the Ameritech 800 Database (for example, as provided under Level 3 Agreement, Appendix 800 and Tariff ILL. C.C. No. 20, Part 19, Section 10). As described in the Deere affidavit, Ameritech’s 800 database offering provides a CLEC and its customers with all of the same features provided by Ameritech to its retail customers. When a CLEC operates its own switching system, access to the database is obtained by using the SS7 Interconnection Service. 47 C.F.R. § 51.319(e)(2); (Level 3 Agreement, Appendix SS7, Section 2.2 and Tariff ILL. C.C. No. 20, Part 19, Section 10, Sheet No. 2).

110. Ameritech provides unbundled access to its AIN Databases on a nondiscriminatory basis pursuant to its approved interconnection agreements (Level 3 Agreement, General Terms

⁶⁸ See Attachment A for a summary of Ameritech’s offerings related to this checklist item.

DRAFT

and Conditions, Section 45.7.2.1 and Tariff ILL. C.C. No. 20, Part 19, Section 13). As discussed in the Deere affidavit, Ameritech enables a CLEC (whether it purchases unbundled switching capabilities from Ameritech or owns its own SSP (Service Switching Point)) to offer its customers AIN-based services. The CLEC may use Ameritech's AIN Service Creation Environment ("SCE") service to create its own AIN-based offerings. Ameritech makes available AIN-based retail telecommunications services on a resale basis when the CLEC is serving the end user via resale. Pursuant to the UNE Remand Order, Ameritech's proprietary AIN services are not required to be provided as UNEs (See UNE Remand Order at ¶ 409).

111. Ameritech has implemented binding terms and conditions for providing CLECs with nondiscriminatory unbundled access to the LIDB and CNAM Database under its approved interconnection agreements (Level 3 Agreement, Appendix LIDB Service and LIDB-AS, and Tariff ILL. C.C. No. 20, Part 19, Sections 11 and 17). As discussed in the Deere affidavit, Ameritech contracts with Southern New England Telephone Diversified Group (SNET-DG) to obtain query access to LIDB functions. Ameritech offers CLECs access to OSMOP to permit them to input, change and maintain any data the CLEC chooses to place into the database provided by SNET-DG.

112. As described in the Deere affidavit, Ameritech provides CLECs with access to LIDB for queries that enable CLECs nondiscriminatory call-completion capabilities, as well as nondiscriminatory capabilities for entering and storing their own end-user customer information. As required by the FCC, "[q]uery and response access to [the LIDB] is intended to require the incumbent LEC only to provide access to its [LIDB] as is necessary to permit a competing provider's switch (including the use of unbundled switching) to

DRAFT

access the call-related database functions supported by [the LIDB].”⁶⁹ CLECs have such access at parity with Ameritech. Resellers of Ameritech’s retail telecommunications services have the same LIDB access as Ameritech provides its own retail customers.

113. Ameritech provides CLECs with nondiscriminatory access to Ameritech’s calling name information, as contained within the CNAM Database. As discussed in the Deere affidavit, resellers of Ameritech’s retail telecommunications services have precisely the same CNAM Database access as Ameritech utilizes in providing service to its own retail customers.

114. Ameritech meets its obligations under checklist item (x) to provide the same nondiscriminatory access to call-related databases and associated signaling as it provides itself. The information contained in the CNAM database is available to a CLEC’s end office switches, on a query-by-query basis together with the associated signaling, just as that information is available to Ameritech’s end office switches.

CHECKLIST ITEM (xiii) RECIPROCAL COMPENSATION

115. In accordance with 47 U.S.C. § 271(c)(2)(B)(xiii), Ameritech is required to provide reciprocal compensation arrangements in accordance with § 252(d)(2) of the Act, which governs the charges for transport and termination of traffic that is subject to the reciprocal compensation requirement of § 251(b)(5). Ameritech’s approved interconnection agreements and effective tariff contain clearly defined arrangements describing Ameritech’s obligation to compensate CLECs in accordance with § 252(d)(2).⁷⁰ Under those

⁶⁹ First Report and Order, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996: Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers, 11 FCC Rcd 15499, 15741 n.1127 (1996) (“Local Competition First Report and Order”).

⁷⁰ Second Louisiana Order, 13 FCC Rcd 20599, 20773, ¶ 299.

DRAFT

arrangements, Ameritech is compensating CLECs for the transport and termination of traffic to the CLECs' networks that is subject to reciprocal compensation pursuant to the ICC's orders and the FCC's rules (subject to negotiation or a regulatory or judicial determination as to the effect of the FCC's April 27, 2001 Order on Remand in CC Docket Nos. 96-98 and 99-68).⁷¹ In addition, Ameritech makes undisputed payments in a timely fashion.

116. As shown in Attachment A, Ameritech has numerous interconnection agreements with CLECs that contain terms, conditions, and charges for reciprocal compensation. Ameritech also has an effective tariff (Ameritech End Office Integration Tariff, ILL. C. C. No. 20, Part 23, Section 2) that contains terms, conditions and charges for reciprocal compensation. Ameritech's effective tariff and existing agreements contain reciprocal compensation rates based on costs developed pursuant to the requirements mandated by the ICC in its February 17, 1998 Order in consolidated Docket Nos. 96-0486/96-0569.⁷²

117. The ICC has ordered Ameritech to pay reciprocal compensation for traffic delivered to Internet Service Providers (ISPs) under certain interconnection agreements.⁷³ Ameritech has sought judicial review of these determinations, but continues to comply with the ICC's

⁷¹ In the Matter of Implementation of the Local Competition Provisions in the Federal Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic, CC Docket Nos. 96-98 and 99-68, Order on Remand and Report and Order, FCC 01-131 (released April 27, 2001).

⁷² Second Interim Order consolidating Docket Nos. 96-0486 and 96-0569, Illinois Commerce Commission on its Own Motion, Investigation into forward looking cost studies and rates of Ameritech Illinois for interconnection, network elements, transport and termination of traffic, Docket 96-0486 and Illinois Bell Telephone Company Proposed rates, terms and conditions for unbundled network elements, Docket No. 96-0569.

⁷³ See March 11, 1998 Order consolidating complaints in Dockets 97-0404, 97-0519; Complaint as to Respondent's failure to pay Complainant reciprocal compensation for local calls which originate on Respondent's network and terminate on Complainant's network between Teleport Communications Group Inc., Worldcom Technologies Inc. and Illinois Bell Telephone Company, and Docket 97-0525 Complaint as to Respondents refusal to pay reciprocal compensation to complainant for local traffic terminated by Complainant to its internet service provider customers between MCI Telecommunications Corporation and MCIMetro Access Transmission Services, Inc. and Illinois Bell Telephone Company.

orders pending judicial review.⁷⁴ On August 17, 2000 the ICC on its own motion opened a proceeding for “establishing rules for reciprocal compensation for internet service provider-bound traffic” in Docket 00-0555. The ICC has subsequently dismissed this proceeding in light of the FCC’s April 27, 2001 Order on Remand.⁷⁵

118. But, in any event, with regard to ISP-bound traffic and reciprocal compensation, the FCC found that it would “not address it in the context of a 271 application.”⁷⁶ In the New York Order, 15 FCC Rcd at 4142, ¶ 377, the FCC found that “Inter-carrier compensation for ISP bound traffic, however, is not governed by § 251(b)(5), and therefore, *is not a checklist item*” (emphasis added). And again, in the Second Louisiana Order, the FCC similarly stated “We do not, at this time, consider BellSouth’s unwillingness to pay reciprocal compensation for traffic that is delivered to ISPs...in assessing whether BellSouth satisfies this checklist item.”⁷⁷ In the Kansas/Oklahoma Order at paragraph 251, the FCC ruled:

We find that the issues raised by the commenters do not evidence SWBT’s failure to satisfy checklist item 13. Under a prior Commission order, ISP-bound traffic is not subject to the reciprocal compensation provisions of section 251(b)(5) and 252(d)(2); therefore, as we stated in our *Bell Atlantic New York Order*, whether a carrier pays such compensation is “irrelevant to checklist item 13.” (footnotes omitted)

The FCC again reaffirmed its position in its July 20, 2001 Order approving Verizon’s §271 application for Connecticut (CC Docket 01-100, ¶67) and in its September 19, 2001 Order

⁷⁴ *Illinois Bell Tel. Co. v. WorldCom Technologies, Inc.*, 179 F.3d 566 (7th Cir. 1999), *cert. granted*, 129 S. Ct. 1224 (2001) (No. 00-878); *Illinois Bell Tel. Co. v. Mathias*, No. 00 C 9168 (N.D. Ill. Filed Dec. 28, 2000).

⁷⁵ July 25, 2001 Illinois Commerce Commission Order in Docket No. 00-0555, page 3.

⁷⁶ Texas Order, ¶ 386.

⁷⁷ Second Louisiana Order, 13 FCC Rcd at 20775-776, ¶ 303.

DRAFT

approving Verizon's § 271 application for Pennsylvania (CC Docket 01-138, ¶ 119). In reviewing Ameritech's 271 application, the FCC should reach the same conclusion.

119. Pursuant to agreements, terminating interconnection minutes of use and messages used for reciprocal compensation are based on standard Automatic Message Accounting (AMA) terminating recordings made within each Party's network. These recordings are the basis for Ameritech and CLECs to bill each other for reciprocal compensation. For purposes of reciprocal compensation, minutes of use are measured in actual conversation seconds. The total conversation seconds are totaled for the entire monthly bill and then rounded to the next whole minute (See, for example, Level 3 Agreement, Appendix Reciprocal Compensation, Sec. 13.1).

120. Three functions may be involved in transport and termination: local (end office) switching, tandem transport⁷⁸, and local tandem switching. The rates Ameritech charges for performing these three functions are based on the cost assumptions, rate structure and rates consistent with the ICC's February 17, 1998 Order in Docket Nos. 96-0486/96-0569 as noted above.

121. If a CLEC chooses to interconnect at an Ameritech tandem office switch,⁷⁹ Ameritech switches the call at its tandem switch, transports the call from the tandem switch to the end office serving the called number, and switches the call at that end office to the called party. Accordingly, the rate elements charged by Ameritech are the tandem switching, tandem

⁷⁸ The tandem transport function includes the tandem transport termination and tandem transport facility mileage functions and their corresponding tandem transport termination and tandem transport facility mileage rate elements.

⁷⁹ Tandem Office Switches are used to connect and switch trunk circuits between Central Office switches.

DRAFT

transport termination, tandem transport facility mileage, and end office local termination (Tariff ILL. C.C. No. 20, Part 23, Section 2).

122.If a CLEC chooses to interconnect at an Ameritech end office⁸⁰ Ameritech charges a local end office termination rate. These rate elements include charges for end office switching only, because that is the only function performed by Ameritech to terminate the call (Tariff ILL. C.C. No. 20, Part 23, Section 2).

123.The Heritage Affidavit provides the number of reciprocal compensation minutes of use exchanged over interconnection trunks between Ameritech and CLECs that are subject to reciprocal compensation as well as the minutes of use exchanged with the major facilities based providers in Illinois.

TRANSIT TRAFFIC

124.Ameritech also offers to switch local and intraLATA toll transit traffic to allow CLECs to interconnect indirectly with other local carriers using Ameritech's facilities pursuant to the Act (Level 3 Agreement, Appendix Reciprocal Compensation, Section 6.1, Tariff ILL. C.C. No. 20, Part 23, Section 2, 2nd Revised Sheet No. 3). Ameritech's transit service allows a CLEC to send traffic to another local carrier's network through Ameritech's tandem, thus providing CLECs an alternative means to interconnect with all other local carriers in a local calling area.

125.Transit Traffic rate elements include the tandem switching, tandem transport, and tandem transport facility charges, and apply to all usage between carriers that transit Ameritech's tandem switch and terminate to a third party's network (Level 3 Agreement, Appendix Reciprocal Compensation, Section 6.1; Tariff ILL. C.C. No. 20, Part 23, Section 2, 2nd

⁸⁰ End Office Switches are where end user exchange services are directly connected and offered.

DRAFT

Revised Sheet No. 3). The originating CLEC is responsible for paying the appropriate transiting rates to Ameritech and the appropriate termination rates to the terminating third party. Transit Traffic rate elements are only applicable when calls transit through Ameritech's tandem and do not originate with (or terminate to) Ameritech's end user.

CHECKLIST ITEM (xiv) RESALE

126.47 U.S.C. § 271(c)(2)(B)(xiv) requires Ameritech to make its telecommunications services available for resale in accordance with the provisions of § 251(c)(4) and § 252(d)(3) of the 1996 Act. These provisions, in turn, require Ameritech to provide at wholesale rates its telecommunications services that are provided at retail to subscribers that are not telecommunications carriers. Ameritech must also offer for resale its telecommunications services with no unreasonable or discriminatory conditions or limitations.⁸¹ Ameritech's interconnection agreements fully satisfy these requirements. For example, the Level 3 Agreement, Appendix Resale, § 2.1 states:

A list of Telecommunications Services currently available for resale at the wholesale discount rate for each service determined by the appropriate Commission is set forth in Appendix Pricing. Except as otherwise expressed herein, consistent with **SBC-13STATE**'s obligation under Section 251(c)(4)(A) of the Act and any other applicable limitations or restrictions, CLEC may resell other Telecommunications Services offered at retail by **SBC-13STATE** at the discount set forth in Appendix Pricing.

⁸¹ See also, Second Louisiana Order, 13 FCC Rcd at 20777-8, ¶ 306.

DRAFT

Additionally, Ameritech offers for resale at wholesale rates its retail telecommunications services pursuant to Tariff ILL. C.C. No. 20, Part 22 (hereinafter, the “Resale Tariff”).

127. As shown in the Ehr affidavit, performance measures have been implemented to demonstrate how services provided by Ameritech for resale are equal in quality as compared to Ameritech’s own retail service offerings. The Heritage affidavit details the quantities of resold services obtained by CLECs in Illinois.

128. The ICC ordered Ameritech Illinois to apply certain costing and pricing methodologies including applying pro rata methods to derive wholesale rates on an individual service-by-service basis.⁸² Ameritech Illinois implemented the required costing and pricing methodologies in its Resale Tariff filed on July 26, 1996. Subsequent to that tariff filing, the ICC-mandated methods have been applied to calculate new wholesale rates whenever retail rates have changed, and these new wholesale rates have been filed in the resale tariff only when they represented resale price decreases. As discussed in the Affidavit of Ms. Barbara Smith, (hereinafter, the “Smith affidavit”), the resale discounts are based on the costs Ameritech avoids by not selling directly to end user customers.

129. The FCC’s rules at 47 C.F.R. § 51.613, provide, consistent with 47 U.S.C. § 251(c)(4)(B), that there may be reasonable limitations on resale that include no cross-class selling, exceptions for short-term promotions (i.e., 90 days or less), or any other restrictions the state commission considers reasonable and nondiscriminatory.⁸³ Ameritech’s restrictions

⁸² June 26, 1996 Order consolidated AT&T Communications of Illinois, Inc, Petition for total local exchange wholesale service tariff from Illinois Bell Telephone Company d/b/a Ameritech Illinois and Central Telephone Company pursuant to Section 13-505.5 of the Illinois Public Utilities Act., Docket 95-0458 and LDDS Communications, Inc. d/b/a LDDS Metromedia Communications, Petition for total wholesale network service tariff from Illinois Bell Telephone Company d/b/a Ameritech Illinois and Central Telephone Company pursuant to Section 13-505.5 of the Illinois Public Utilities Act., Docket 95-0531.

⁸³ Second Louisiana Order, 13 FCC Rcd at 20778, 20782-3, ¶¶ 307, 317.

DRAFT

comport with the FCC's rules (Level 3 Agreement, Appendix Resale, Sections 3.4, 3.5.3, 3.6 and 3.7).

130. CLECs may resell Ameritech's promotional offerings that are greater than 90 days in length at the promotional rate less the appropriate avoided cost discount (Level 3 Agreement, Appendix Resale, Section 3.5.3.1).

131. In accordance with 47 C.F.R. § 51.615, CLECs may resell, at wholesale rates, an Ameritech grandfathered service to the same end user customer to whom Ameritech provides such service at the same end user location (Level 3 Agreement, Appendix Resale, Section 2.4 and Resale Tariff, Sheet No. 1.1).⁸⁴

132. Ameritech applies an End User Common Line ("EUCL") charge to each local exchange line resold to a CLEC in accordance with 47 C.F.R. § 51.617(a), (Level 3 Agreement, Appendix Resale, Section 3.8).

133. CLECs can resell Ameritech's existing retail contracts without triggering termination liability charges or transferal fees to the end user. Existing retail contracts are available for resale without restriction beyond those restrictions applicable to Ameritech's retail service arrangements (e.g., no cross-class selling) that the ICC has found to be reasonable and non-discriminatory.⁸⁵ CLECs may avoid applicable charges for early termination of an assumed retail contract by replacing the existing contract with a contract of greater term and volume at the same discount the CLEC received for the previously assumed, but terminated contract (Level 3 Agreement, Appendix Resale, Section 3.15.3). CLECs may assume Ameritech's existing retail end user contracts for resale to the same end user pursuant to the terms of

⁸⁴ Grandfathered services are those tariff services that are no longer generally available. Generally, these services made are only available to existing customers at existing locations.

⁸⁵ Second Louisiana Order, 13 FCC Rcd at 20782-3, ¶ 317 (1998).

DRAFT

Ameritech's approved interconnection agreements (Level 3 Agreement, Appendix Resale, Section 3.15.2.1).

PRICING

134. As discussed in the Smith affidavit, Ameritech's UNE prices have been determined based on a Total Element Long Run Incremental Cost ("TELRIC") methodology, i.e., a determination of forward-looking economic costs plus a uniform allocation of joint and common costs. Consistent with the FCC requirement in 47 C.F.R. § 51.507(f), the prices for unbundled transport and unbundled loops were established in three defined geographic access areas which reflect the cost differences for each area. The rates contained in Ameritech's approved agreements (e.g., Level 3 Agreement), Ameritech's tariffs, and the I2A are consistent with the FCC's pricing rules in that: 1) they establish rates that are structured consistent with the manner in which the costs for the elements are incurred; 2) costs for dedicated facilities such as the loop, dedicated transport, or switch ports are recovered through flat-rated charges; 3) costs that are shared, such as shared transport, are recovered through a two-tiered structure, which includes flat and usage-sensitive charges; 4) monthly recurring rates are established to recover the costs that are incurred on a recurring basis; and 5) non-recurring costs are recovered through non-recurring charges. As discussed in the Smith Affidavit, Ameritech established its rates in conformance with the ICC's costing principles and guidelines.

DRAFT

135. The prices in Ameritech's ICC-approved interconnection agreements (e.g., Level 3 Agreement), and effective tariffs are based on Illinois specific TELRIC costs pursuant to the ICC's mandates in Docket Nos. 96-0486/96-0569.⁸⁶
136. The following discussion of my affidavit describes the processes employed by Ameritech to establish prices, as reflected in its tariffs and approved agreements pursuant to § 252(d) of the Act. This portion of my affidavit is organized into sections that address (1) the application of § 252(d)(1) to the pricing of interconnection and unbundled network elements; (2) the application of § 252(d)(2) to pricing for the transport and termination of traffic; and (3) the application of § 252(d)(3) in establishing the wholesale discounts applied to the resale of Ameritech's retail telecommunications services.

INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS – 252(d)(1)

137. Unbundled Network Elements – Ameritech provides access to network elements based on rates, terms, and conditions that are just, reasonable, and nondiscriminatory. As described in more detail in the Smith affidavit, the ICC directed Ameritech to file tariffs containing rates and supporting cost studies developed pursuant to the ICC's February 17, 1998 Order in Dockets 96-0486/0569. Ameritech has furnished tariffs and supporting cost studies for unbundled network elements based on forward-looking costs as directed by the ICC's Order. The cost data presented by Ameritech has been the subject of a full hearing and briefing process with participation from multiple CLECs and ICC Staff in Docket No. 98-0396 (TELRIC Compliance) and Docket No. 00-0700 (shared transport).⁸⁷

⁸⁶ Certain UNE prices have been the subject of extensive proceedings in ICC Docket Nos. 98-0396 and 00-0700. An order has been issued in Docket No. 98-0396, but not in Docket No. 00-0700. Further, Ameritech has sought rehearing of certain prices in Docket No. 98-0396. The application of non-recurring charges to UNE combinations is also part of proceedings that are in progress in Docket No. 01-614.

⁸⁷ Ameritech is seeking rehearing of the ICC's October 16, 2001 Order in Docket No. 98-0396 and reserves the right to appeal that decision. The ICC has not rendered an Order in Docket No. 00-0700.

DRAFT

138. As discussed in the Smith affidavit, in Docket Nos. 96-0486/96-0569, the ICC initially established costing methodologies that Ameritech has utilized to establish its rates for interconnection and UNEs. Additionally, cost studies were submitted by Ameritech, supporting its tariffs for new UNE offerings. These rates have been incorporated into the relevant tariffs, interconnection agreements, and where applicable, the I2A.

139. As discussed in the Smith affidavit, Ameritech's non-recurring costs for individual network elements comply with the requirements of § 252(d)(1).

140. Unbundled Local Loops – Ameritech's prices for 2-wire and 4-wire analog and digital loops are flat-rated charges⁸⁸ (See for example, Level 3 Agreement and Loops Tariff Sheet No. 31). The Smith affidavit further describes how Ameritech developed cost studies in support of UNEs, including loop costs.

141. Unbundled DSL-Capable Loops – Ameritech makes DSL-capable loops readily available at the prices pursuant to Docket Nos. 96-0486/0569 (See for example, Level 3 Agreement and Loops Tariff Sheet No. 31). With regard to prices for unbundled xDSL loop conditioning, Ameritech filed revised cost studies in Docket No. 00-0393, and Ameritech's tariff reflects those costs (Loops Tariff Sheet No. 34).

142. Unbundled Transport – Ameritech recovers its dedicated transport facilities costs through flat-rated charges, while the costs of shared transport facilities are recovered through a combination of flat-rated and usage-sensitive charges, in accordance with 47 C.F.R. §§ 51.509(c) and (d). (See Tariff ILL. C.C. No. 20, Part 19, Section 12 and Section 21). The Smith affidavit describes how Ameritech developed cost studies in support of the dedicated and shared transport facilities. As discussed above, the rates were set at levels

⁸⁸ 47 C.F.R. § 51.509(a).

DRAFT

equal to forward-looking economic costs plus a uniform allocation of joint and common costs. The rates for the dedicated transport rate elements are based on the costing methodologies mandated by the ICC in its February 17, 1998 Order in Docket Nos. 96-0486/96-0569. The rates for the shared transport comply with the FCC's and ICC's pricing rules and an ICC decision is pending in Docket No. 00-0700.

143. Local/Tandem Switching – Ameritech prices its unbundled local switching through a combination of flat-rated charges and usage charges for the local switching element, both in accordance with 47 C.F.R. § 51.509(b).⁸⁹ Examples of this pricing include: switch ports, which are priced at a monthly flat rate and have associated non-recurring charges; switch feature changes (i.e., to add or drop features), which have one-time non-recurring charges; local switch usage, which is set at per minute of use prices;⁹⁰ and the daily usage feed which is set at a per message price (ULS Tariff, Sheet No. 42). Ameritech prices its unbundled tandem switching through usage-sensitive charges in accordance with 47 C.F.R. § 51.509(e). The Smith affidavit describes how Ameritech developed its cost studies for switching.

144. Ameritech's pricing for both physical and virtual collocation reflects pricing as pursuant to the ICC's requirements.

TRANSPORT AND TERMINATION – 252(d)(2)

145. The 1996 Act requires that charges for transport and termination of traffic provide for the recovery by each carrier of the costs it incurs for calls that originate on the other carrier's network and that such costs be based on the additional costs to terminate such calls.

⁸⁹ At present, the rate for ULS usage is zero. However, Ameritech Illinois reserves its rights to implement a non-zero rate usage rate depending on the outcome of ICC Docket No. 00-0700.

⁹⁰ Id.

DRAFT

146. In 47 C.F.R. § 51.705, the FCC established pricing rules for transport and termination which require the state commission to determine rates based on forward-looking economic costs, default proxies, or a bill-and-keep arrangement. As discussed in the reciprocal compensation section of this affidavit, Ameritech established rates for transport and termination that comport with the ICC's February 17, 1998 Order in Docket Nos. 96-0486/96-0569 and has applied those rates in its agreements.⁹¹ These rates for intercompany terminating compensation are also contained in Ameritech's End Office Integration Service tariff (Tariff Ill. C.C. No. 20, Part 23, Section 2, 2nd Revised Sheet No. 3).

RESALE – 252(d)(3)

147. The 1996 Act requires that wholesale rates be determined “on the basis of retail rates charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided” in accordance with 47 U.S.C. § 252(d)(3). Federal regulations, set out in 47 C.F.R. § 51.609, were issued to amplify and elaborate on this pricing standard.⁹²

148. As discussed earlier, the ICC established specific costing and pricing methodologies to derive discounted wholesale rates on an individual service-by-service basis for telecommunications services offered at retail to customers who are not telecommunications carriers pursuant to § 252(d)(3) of the Act. The Smith affidavit describes the avoided cost calculation methods used by Ameritech, as required by the ICC, to establish avoided costs for the provision of resold telecommunications services. As the Smith affidavit explains, the ICC used an avoided cost calculation method, which is consistent with the FCC's pricing

⁹¹ See Level 3 Communications Agreement.

⁹² See also Second Louisiana Order, 13 FCC Rcd at 20777-78, ¶ 306.

DRAFT

rules, and also required individual avoided cost discounts on a service-by-service rate element basis. These wholesale discounts are reflected in the pricing contained in Ameritech's Resale Tariff as well as in ICC-approved interconnection agreements (e.g., Level 3 Agreement). As discussed in the Resale section of my affidavit, these discounts also apply to promotional offerings for telecommunications services when promotions are offered for longer than 90 days.

149. As discussed in the Resale section of this affidavit, Ameritech's existing tariffed volume and term retail contracts and Individual Case Basis (ICB) contracts are available for resale.

CONCLUSION

150. As demonstrated in this affidavit, Ameritech satisfies the § 271 checklist items pertaining to (i) interconnection, (ii) access to network elements, (iv) local loop transmission, (v) local transport, (vi) local switching, (x) access to call related databases and associated signaling, (xiii) reciprocal compensation, and (xiv) resale.

DRAFT

Executed on _____, 2001.

Scott J. Alexander

Director – Wholesale Marketing

STATE OF ILLINOIS

COUNTY OF COOK

Subscribed and sworn to before me this _____ day of _____, 2001.

Notary Public